



A unit of Bosnia Serbs descending Tuesday from strategic Mount Igman southwest of Sarajevo. But replacement troops were reported to be moving up to the peak.

Bonn Tries Hard to See Economy Rebounding

By Ferdinand Protzman

BONN — Economics Minister Günter Rexrodt of Germany said Tuesday that the economy's downward trend had stopped and that a mild recovery would begin in the second half of this year, but he offered scant evidence to support that view.

Mr. Rexrodt's forecast was seen as an overly optimistic, politically motivated attempt to ease the anxiety many Germans feel about the recession's effect on their standard of living. The downturn has eroded disposable income at a time when Chancellor Helmut Kohl's government is raising taxes and cutting social services

to help pay the enormous bills of unification with the formerly Communist East.

In Mr. Rexrodt's scenario, Eastern Germany's economy will begin to grow, while a rise in foreign demand for German goods will spark a mild recovery in the West. Inflation will cool but unemployment will rise sharply by the end of this year.

He predicted Western Germany's gross domestic product would shrink by 1.5 percent this year and then grow by 1.5 percent in 1994. In the East, gross domestic product will rise 5 percent this year and 6.5 percent in 1994.

"The economy is no longer continuing to

decline," Mr. Rexrodt said at a press conference. "Whether a sustained economic recovery is in the offing cannot be judged with absolute certainty at the moment. But I expect a slight recovery to set in in West Germany in the second half of 1993."

Chancellor Helmut Kohl's conservative coalition government had been predicting that Western Germany's gross domestic product would shrink by around 2 percent this year after growing by 0.9 percent in 1992.

Private-sector forecasts have been even more pessimistic. Most German banks are predicting gross domestic product in the West will contract between 2 and 2.5 percent this year. Look-

ing ahead to 1994, their estimates range from zero growth to a 1 percent increase.

Economists said Mr. Rexrodt, who is far less influential in formulating economic policy in Mr. Kohl's government than Finance Minister Theo Waigel, was trying to improve the mood of the country. The minister admitted as much in a written statement released at the press conference that quoted the economist John Maynard Keynes' dictum, "50 percent of the economic performance is the mood in the country."

He deleted the quote from his remarks. "It is understandable for political reasons that he would want to give an optimistic estimate,"

See GERMANY, Page 12

75 Million Sandbags Later, Great Flood of '93 Ebbs

By B. Drummond Ayres Jr.

ST. LOUIS, Missouri — In its two-month rampage, the great Midwest flood of 1993 cut an awesome destructive swath. It took 50 lives, left almost 70,000 people homeless, inundated an area twice the size of New Jersey, caused an estimated \$12 billion in property and agricultural damage and stirred anew a debate over the nation's flood-control system and its policies.

The crest of the mighty flood, probably the worst ever to wash over the United States, has rolled down the Mississippi River past Cairo, Illinois, and from there south the swollen waters will steadily lose their deadly potency because the river bottom widens drastically.

Still to be added up are how many little towns were

drowned, how many homes and businesses destroyed and how many roads, bridges and stretches of rail swept away.

But enough is known to consider it devastating: About \$200 million in damage was done to the nation's rail lines and bridges, 500 miles (800 kilometers) of highway was scarred, and farmers suffered about \$8 billion in crop damage.

In the wearying effort to fight back the relentless waters, 75 million sandbags, by some counts, were piled, often to no avail. But for now it is reassuring to the inhabitants of the upper Midwest that the most serious threat — along with the record crests — has subsided.

"The worst is past, and the river is beginning to fall nicely," said Gary Dyhouse, the chief hydrologist in St. Louis for the U.S. Army Corps of Engineers.

There is an epitaph, of sorts, to the flood of '93 on the levee

in front of the soaring Gateway Arch. It is a thin drying line of river detritus, now a full five feet (1.5 meters) above the Mississippi.

Five full feet. That is how much the great river, the Father of Waters to Indians, has fallen since cresting last week at its highest level on record, 49.5 feet.

And the retreat is similarly under way all over the nine-state disaster zone. Everywhere the marauding waters are pulling back, back from sodden houses and stores and cars and fields and barns, back toward the ripped levees and the big oaks and cottonwoods that mark the normally languid edge of the region's rivers.

"She's pulling out," said Cliff Coppedge, a street cleaner in

See FLOOD, Page 8

For NATO, The Perils Of War by Committee

By Rick Atkinson

Washington Post Service

BERLIN — NATO in the last week has inched closer to dropping the first bombs in its 44-year history, but not without some hard lessons in the difficulty of waging war by committee.

By unanimously adopting a memorandum entitled "Operational Options for Air Strikes in Bosnia-Herzegovina," the alliance Monday night approved a plan to attack Bosnia Serbs around Sarajevo if the United Nations authorizes air strikes.

On the one hand, the agreement was accompanied by saber-rattling bellicosity. "This organization is not renowned for

NEWS ANALYSIS

making empty threats," Secretary-General Manfred Wörner declared. He grimly warned the Bosnia Serbs not to mistake the North Atlantic Treaty Organization for "a paper tiger" or to doubt that "NATO is ready to act."

On the other hand, there was evidence of misgivings and temporizing. A communiqué from the 16 ambassadors noted that any air strikes "must not be interpreted as a decision to intervene militarily in the conflict," a paradox upon which Mr. Wörner shed little light. Several European delegates circulated among journalists with assurances that any military action would be big enough to display NATO's fangs but not so big as to truly enrage the Serbs.

"Nobody wants NATO to be a decisive military factor," one delegate said. "Nobody is going to be the liberator of Bosnia."

"We're not looking to zap someone tomorrow," another added. "We'll zap someone when the time is right."

When the time will be "right" remains uncertain, as it has for 17 months. Behind these countervailing sentiments is an organization trying to reconcile the disparate impulses and anxieties of its many members.

The positions range from that of the Canadians, who initially were adamantly opposed to air strikes, to that of the French and British, who wanted assurances that their soldiers in Bosnia would be protected, to that of the Americans, who in recent years have favored round-house punches to light jabs in military operations.

NATO craves American leadership yet worries about a perceived American tendency to use its firepower willy-nilly.

"Let's be very honest: The Americans have a very different perspective on the use of firepower than do other militaries," Colonel Andrew Duncan, an analyst with the International Institute of Strategic Studies in London, said Tuesday. "Witness what has happened in Somalia."

In Brussels, the result was compromise. The Americans agreed to a relatively modest war plan that gives the United Nations equal partnership in authorizing strikes and picking targets.

"What the United States got in exchange was the agreement by NATO, for

See NATO, Page 2

Serbs Send New Troops Up 2 Peaks At Sarajevo

A Peacekeeper Charges 'Cat and Mouse' Game On Withdrawal Pledge

By John Pomfret

Washington Post Service

SARAJEVO, Bosnia-Herzegovina — Hundreds of well-armed Serbian paramilitary forces, manning tanks and packed into troop trucks, headed toward two strategic mountains Tuesday in a major troop rotation that appeared to contradict Serbian claims that they were withdrawing from the area.

United Nations officers who witnessed the rotation said they believed the Serbs had no intention of leaving either Mount Bjelasica or Mount Igman, both south of Sarajevo.

"They're playing a game of cat and mouse," said a spokesman for French forces in Sarajevo. "We see no sign of a withdrawal at all."

The apparent unwillingness of Serbs to cede the area, despite claims reiterated by the Serbian political leader, Radovan Karadzic, will undoubtedly complicate UN efforts to reinstate stalled peace talks in Geneva.

President Alija Izetbegovic of Bosnia-Herzegovina has said he will not return to the negotiating table unless the Serbs withdraw from both Mount Igman and Mount Bjelasica.

UN officials have been working closely with the Serbs to ensure that they leave the strategic areas in an attempt to restart the talks and stave off the threat of Western air strikes.

Moreover, if the new troops begin another offensive, they could be in a position to take most of Mount Igman and cut the main supply line used by the mostly Muslim army to sneak weapons into this besieged capital.

UN officers theorized that the Serbian military leader, Lieutenant General Ratko Mladic, believes there is no need for him to cooperate with the United Nations because he does not take seriously threats of military intervention from the United States and other countries.

The Sarajevo radio reported Tuesday night that the Serbs had launched small infantry assaults on Muslim forces near a part of Mount Igman called Malo Polje.

The troops, who were seen by a Washington Post reporter Monday as they massed with neatly packed bedrolls and ample weaponry on a valley bluff near the two mountains, began heading up a road toward the peaks Tuesday afternoon, UN officers said.

Coming down the mountain were other Serb troops who had been in the area for several weeks since the Serbian offensive began July 30.

Officers said one tank moved up the road with a skull and crossbones flapping above it. Others sported flags from the Serbian Republic of Bosnia. UN officers said some units hailed from as far away as Banja Luka, a Serbian-controlled area about 160 kilometers west of Sarajevo.

"This is a basic troop rotation," said a UN officer who witnessed the Serbian movements. "This is definitely not a withdrawal."

The comments by the officers clashed with claims by the command unit of the UN peacekeepers that the Serbs had actually begun pulling back.

According to a report prepared by a British Army brigadier general, Vere Hayes, who is chief of staff of the UN operation in Bosnia,

See BOSNIA, Page 2

The Next Stage In U.S. Rockets: Single Launcher

By William J. Broad

NEW YORK — A revolutionary kind of rocket ship is poised to rise from the launching pad for the first time, lifting some of the gloom that has enveloped aerospace experts recently as the nation's two main space vehicles were grounded by a series of tiny mishaps and one catastrophic failure.

The rocket is based on an idea studied for decades but not feasible until recently — blasting into space on a single stage. Heretofore, all launchers have relied on multiple stages because of the need to shed weight in the struggle to overcome the Earth's gravitational grip. The progressive abandonment of burned-out stages, composed of fuel tanks and heavy engines, has allowed speeding rockets to become lighter and thus to move faster as they rose.

But the new launcher, called the Delta Clipper Experimental, is light to begin with, thanks to modern electronics and materials. Its non-metallic skin, for instance, was fabricated by Burt Rutan, who made aviation history in 1986 when his superlightweight plane, the Voyager, flew nonstop around the world without refueling.

A rocket built of lightweight materials needs only one stage to soar into space, at least in theory. Moreover, since no hardware is abandoned during flight, the vehicle by definition is reusable. It has all the engines it needs to return to Earth in a fiery, tail-first landing.

The world's first test flight of a single-stage rocket is to occur in the next week or so at White Sands in the New Mexican desert.

The 42-foot (about 12-meter), 20-ton prototype, built by McDonnell Douglas Corp. for the Defense Department, is to go up a scant 150 feet in a low-altitude hover, move sideways 350 feet and then come down again in the first overall test of its systems, including vital ones for landing. It eventually is to fly a few miles high.

If the prototype is successful, and if more

See ROCKET, Page 8



JAMAICAN SALUTE — Nuns of the Missionaries of Charity Home meeting Pope John Paul II on Tuesday in Kingston, Jamaica, on the first leg of a tour that will take him to Mexico and Denver. He said some Jamaicans were living in conditions akin to slavery.

Where GIs Awaited Russians, There's a Gap (And Refugees Rush In)

By Steve Vogel

Washington Post Service

FULDA GAP, Germany — For four decades, U.S. troops waited on guard here for a Soviet invasion that never came.

From U.S. Army Observation Post Alpha, built in the heart of the Fulda Gap on the old border between East Germany and West Germany, soldiers with binoculars and radar and tanks and helicopters stood watch amid the rolling terrain of this invasion corridor.

Going back to the Huns, invading armies used the gap. Napoleon used it in one of his campaigns and U.S. forces moved through the gap in the spring of 1945, pursuing Nazi forces.

Forests, valleys and mountains come together to create a funnel for an invader, leading directly to Frankfurt and key crossings on the Rhine and Main rivers.

"The quickest way to Central Europe was through us," said Master Sergeant Bob McCord, who spent 15 years patrolling the gap.

Now, the observation camp is packed with refugees living in the barracks. Flooded with asylum seekers, some from former Communist-ruled Warsaw Pact countries, the local German government has converted the post into a refugee camp.

Europe and the Immigrants

As hundreds of thousands cross newly opened borders, and as recession tightens its grip, the nations of Western Europe start shutting the doors on immigrants. Page 2.

It is one more representation of a world turned upside down for the U.S. Army in Europe.

Another such turn came last month, when the Pentagon announced that the unit that guarded the Fulda Gap, the 11th Armored Cavalry Regiment, would be pulled out.

On paper, the withdrawal of the 11th Cavalry is just one of many cuts that will bring the army in Europe from a peak of around 230,000 troops down to 65,000, part of an enormous reshaping of the U.S. military structure overseas.

But for many, the pullout from Fulda is a watershed in the U.S. relationship with Europe. Among these is a man who in 1959 was a second lieutenant and led patrols in the gap — General Colin L. Powell, chairman of the Joint Chiefs of Staff.

"For obvious reasons, the deactivation of the last American military unit assigned to the Fulda Gap holds personal

significance to me," General Powell said July 1 when he announced the cuts.

The general said he felt particular satisfaction "that this chapter of history is reaching a peaceful conclusion."

The 11th Cavalry, a celebrated unit whose troopers once galloped after Pancho Villa through the Mexican desert, took over the task of guarding the Fulda Gap in 1972 after a difficult six-year stint in Vietnam.

Poised on the other side of the border, screened by the Thüringer Forest, was the Soviet 8th Guards Army, one of the Warsaw Pact's best-equipped and best-trained forces.

Armed with top-of-the-line Abrams tanks and Bradley Fighting Vehicles, the 4,000 troopers of the 11th Cavalry patrolled a 230-mile (370-kilometer) stretch of the border, an elaborate effort aimed as much at sending a signal to the

See GAP, Page 2

Kiosk

Clinton Sees 'Real Fairness' in Budget

WASHINGTON (AP) — President Bill Clinton signed his deficit-cutting budget bill into law Tuesday, calling the plan a turning point.

"After 12 years of trickle-down economics," Mr. Clinton said in ceremonies on the White House lawn, "we now have real fairness in the tax code. This country has begun to take responsibility for itself."

Vice President Al Gore, who cast the tie-breaking vote that allowed the \$496 billion plan to pass the Senate, described the plan as a victory for Mr. Clinton and "for people who believe in hard work."

The president said it would give 97 percent

of small businesses a tax cut, raise taxes on the wealthy and reduce them for the poor.

Democratic Senate and House members in the thin majority that voted for Mr. Clinton's package joined his cabinet on the White House lawn for the signing ceremonies.

The president termed the budget plan a symbol of change. "Now there is a new direction in America," he said.

Mr. Clinton has begun what the White House promises will be a long campaign to sell voters on the budget package. He said the measure was the victim of a "withering fog of misinformation."

Related article, Page 3.

Dow Jones	Down 3.35
Trib Index	Down 0.76%
	105.03

The Dollar	Time close	previous close
DM	1.7173	1.698
Pound	1.467	1.498
Yen	104.73	104.86
FF	6.037	5.957

Crossword Page 18. Book Review Page 9.

Western Europe Starts Shutting Out the Immigrants

By John Darnton
New York Times Service

LONDON — Fearfully, painfully, the nations of Western Europe are recognizing that immigration is probably the most explosive problem they face, and they are taking drastic steps to fend off unwanted foreigners.

A Continent Adrift

Third of a series

petitors, and many have become targets of wrath as recession tightens its grip. As a result, West European governments are adopting new laws and strategies to shut out immigrants.

In a camp on the site of a former Belgian military barracks outside Cologne, 430 people from around the world await word on their fate, most likely expulsion.

"I don't know what to do," said Ali Ibrahim Jackson, a 19-year-old Liberian lounging against a wire fence in a bright blue track suit on a recent afternoon. Three months ago he stowed away on a freighter from Nigeria to Bremen with visions of becoming a soccer star.

"I can't go back," he said, though a fragile cease-fire took hold last week in Liberia's civil war. "I walk the street and I'm a dead man."

In their economic distress, West Europeans are turning against the strangers in their midst, including the 2.5 million living illegally in the 17 countries. In the European Community, the unemployment rate is expected to pass 12 percent next year, meaning that 19 million people will be out of work.

Rightist parties are campaigning on a platform of expulsions of "foreigners." While there is little immediate danger that the far right will come to power on a national level, governments are shifting to the right on the immigration issue to blunt the threat.

West European leaders are worried about rising xenophobia and racism and increasing attacks on foreigners. Nervously, they listen to the speeches of ideologues who hark back to a bygone era when their countries were supposedly homogeneous, comfortable, orderly, and virtually all white.

But the changes in the ethnic makeup of Western Europe are already irrevocable. For generations, Pakistanis have lived in Britain, Algerians in France, and Turks in Germany, and even though they are regarded by some people as aliens, they are there to stay.

In Europe's southern countries, where young people once went abroad to start new lives and were hoped about the prejudice they encountered, people are startled to find that they are now the hosts, and can themselves be bigoted.

In the Madrid suburb of Aravaca, thugs called "rapadas" break into an abandoned building where Dominican squatters are living, and one opens fire with a pistol. In Rome, "Nazi-skis" torch residences of foreigners and patrol the parks at night, beating up Africans who sleep there.

Germany has revised its constitution, eviscerating the well-known Article XVI. Symbolically a form of moral compensation for the Germans who found haven from the Nazis during World War II, it promised asylum to "people persecuted on political grounds." That clause brought in 438,000 immigrants last year. On July 1, the provision expired, and Germany's immigration policy became one of the most restrictive in Europe.

France, with its rightist interior minister, Charles Pasqua, leading the way, has been tightening its immigration requirements.

But no country has gone as far as Greece. Feeling overwhelmed by about 200,000 Albanians who slipped across the mountainous border over the last three years, the Athens government recently seized upon Albania's expulsion of a Greek Orthodox priest as a justification to round up and expel more than 25,000 Albanians.

A United Nations Population Fund report estimates that from 1980 to 1992, 15 million people poured into Western Europe as migrants. Officials at the UN High Commissioner for Refugees estimate that the number of newcomers is still running at 1 million to 2 million a year.

For a region of some 300 million that exported its own people up until the 1970s, that seems to constitute an invasion.

Even the number of political refugees has mushroomed in Western Europe. Up until the mid-1970s there were about 30,000 a year, and most fit the definition of the 1951 Geneva Convention — that is, they had a "well-founded fear of persecution" in their home countries.

But as a side door for people fleeing economic deprivation, asylum requests rose dramatically, reaching 700,000 last year and costing governments an estimated \$8.3 billion.

Unlike earlier postwar immigrants from southern Europe, many of the newcomers differ from long-term inhabitants in skin color and religion. Millions did not assimilate, but congregated in ghettos on the outskirts of cities.

The 2.6 million people in Britain considered members of ethnic minorities — almost 5 percent of the nation's 50 million people — include West Indians, Bangladeshis, Indians, West Africans, Pakistanis, and others. Almost half were born in Britain, and as British natives naturally identify themselves as British rather than, say, black African or black Caribbean.

The number of racially motivated incidents reported to the police in Britain has skyrocketed, from 4,383 in 1988 to 7,793 in 1992.

Globally, there is no prospect that pressure for migration will cease.

Smugglers fill boats with Chinese destined for California, Haitians take to the seas trying to reach Florida, and thousands of Africans board planes headed for Europe. In one case, 156 Iraqis chartered an Egyptian airliner and flew to London to request asylum.

"There are no distances any longer in this world," said Dr. Manfred Matzka, Austria's director of immigration. "There are no islands."

In Austria, the Traiskirchen camp, 32 kilometers outside Vienna, is known as the Ellis Island of Western Europe. After the suppression of the 1956 uprising in Hungary, it took in 180,000 Hungarians; after the crushing of Prague Spring in 1968, 150,000 Czechs and Slovaks; after martial law was declared in Poland in 1981, 40,000 Poles.

But in June 1992, Austria adopted a new and complicated law that made political asylum very difficult to obtain. It quickly sends "manifestly unfounded" cases right back where they came from, and asserts that anyone who comes through a "safe" country can be deemed to have found protection there.

The law was effective. In the first six months of 1992, there were 11,875 applications for asylum. In the first six months of 1993, there were only 2,490.

The same principles are now widely applied in Europe, where nine countries have grouped in what is called the Schengen convention to "harmonize" restrictions. West European countries have now declared surrounding countries "safe," so in effect no refugee can win asylum by coming overland through another country.

The chances of arriving through an airport are now minimal, too, because visa requirements have been imposed on 110 countries. Many European countries insist that refugees passing through a transit lounge of another country are in effect "staying" there. Airlines that carry a passenger without a valid passport and visas face fines up to \$3,000, a policy that Britain began in 1987.

The Schengen agreement, under which all EC countries except Britain, Ireland, and Denmark are to dispense with internal borders and strengthen external borders, is supposed to take effect in December.

But the accord is already causing anxiety, especially in France, which fears a flood of drugs from the Netherlands and a wave of illegal immigrants from Italy and Spain. To help allay such fears, the governments involved have agreed to give police officers extra powers to do things like check documents within 40 kilometers of internal borders.

The key tool in the European fight is a computer system called SIS. The system will maintain a data base so that the denial of asylum to an applicant in one country will be recorded everywhere. Another system, EURO DAC, which uses fingerprints for identification, will link police stations so "undesirables" can be quickly spotted.

Austria has sent 2,000 troops to try to seal the Hungarian border, and Germany has bolstered its forces along the Polish border and installed infrared sensors to intercept the thousands from Lithuania, Belarus, and other Eastern European countries who make it nightly across the Neisse.

Germany sends planes full of deportees to Bucharest almost every day. In May it signed an agreement with Warsaw to send back to Poland illegal immigrants who are found to have passed through there — as many as 10,000 this year and an unlimited number in 1993.

The Germans sweetened the deal by giving \$76 million to Poland. The Poles are spending most of the money on equipment, not housing, which suggests that they may in turn simply expel the immigrants across their own eastern border.

Under Mr. Pasqua's direction, France is making it harder for foreigners to acquire French nationality through marriages of convenience, cutting back on work permits, and refusing to allow additional wives from polygamous marriages into the country. The debate over a bill to expand police powers to stop foreigners and check for documents almost completely sidestepped race, though it was on everyone's mind.

Of France's population of 57 million, about 4 million, or 7 percent, are foreigners, according to figures from the French Interior Ministry.

The changes in France's immigration policy are not a response to a sudden surge in xenophobia. They represent campaign commitments by the two main conservative parties now in power to appropriate an issue that had long been exploited by Jean-Marie Le Pen's far-right National Front. About 60 percent of France's foreigners are non-European, mostly from Algeria, Tunisia, and Morocco, and they are concentrated in the grimy industrial suburbs where the National Front pulls 30 to 40 percent of the vote in elections.

Almost every country has a burgeoning far-right party circulating anti-Semitic tracts and whipping up anti-foreigner sentiment. There is the Freedom Party in Austria, the Republican Party in Germany, the Vlaams Blok in Belgium, the Falangists in Spain, and the Northern League in Italy.

Germany's central intelligence office calculates that 41,900 of its citizens belong to far-right organizations, of which 6,400 are "militant and violence-prone." That figure does not include 25,000 members of the Republican Party. In 1992, there were 2,584 proven acts of violence by the far right, a 74 percent increase over 1991. Of the rightist attacks, 88 percent were directed against foreigners, of whom seven died.

It is debatable whether the far-right parties are losing ground to the "responsible right," or actually gaining in stature as the establishment tries to accommodate the discontent stoked by the far right. But the tone of discourse points to other changes in Western Europe, on a deeper, psychological level.

Western Europe is giving up its sense of itself as a civilizing corner of the world. After the horrors and guilt of the Holocaust and the Nazi occupation of much of Europe, the region has tried to compensate for the past by tending an image of itself as an assembly of decent societies — a haven of tolerance, democracy, and respect for human rights.

Today, that self-image seems increasingly untenable. A survey conducted by the EC Commission and released on July 15 disclosed that, for the first time, public opinion in the European Community had swung against immigrants.

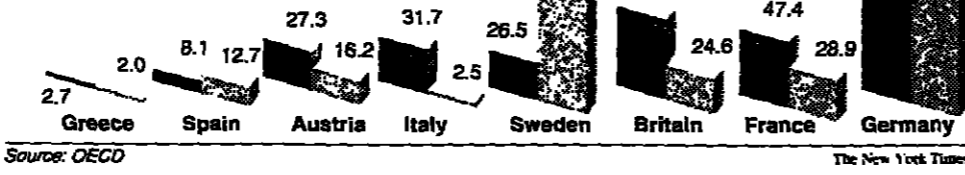
"There is a psychological backlash," said Ruprecht von Arnim of the UN High Commissioner for Refugees office in Brussels, "but the reason is not just racism, or economic difficulties. There was clearly the feeling that the countries had lost control over what was happening to them. The politicians picked up the anxieties of the people and carried them one step further."

"I could see how looking in from the outside a lot of people might think that these countries have lost their souls."

NEXT: Fading confidence in the governing elite.

Knocking on Western Europe's Door

People applying for political asylum in each country in 1991 and 1992, in thousands.



Source: OECD

The New York Times

WORLD BRIEFS

California Governor Targets Aliens

LOS ANGELES (LAT) — Declaring that California's quality of life and economic recovery are "under siege" from illegal immigration, Governor Pete Wilson has proposed a sweeping program to cut off health and education benefits to illegal immigrants and deny citizenship to their children.

Except in emergencies, state assistance would go only to those immigrants who could prove they were in the state legally by presenting a "tamper-proof" identification card, the Republican governor proposed.

Immigration is expected to play a major role in the 1994 gubernatorial campaign and Democratic critics noted Mr. Wilson's partisan motivation in taking such aggressive stands on issues largely out of his control. Most of the proposals Mr. Wilson made Monday have been raised without success in Congress and in at least one case would require an amendment to the U.S. Constitution. Mr. Wilson packaged his proposals into an "open letter" faxed to the White House.

Kurds Free 4 Frenchmen in Turkey

ANKARA (Reuters) — Kurdish Workers Party guerrillas released four French tourists on Tuesday after holding them in the mountains of southeast Turkey for more than two weeks.

The four, Fernand Haron, 66, Michel Coudray, 52, Pierre Fix, 43, and Robert Audouin, 51, were set free on a road between the eastern towns of Tatvan and Van soon after midnight near the spot where the guerrillas seized them from a tour bus on July 24. Two hostages remain, David Rowbottom of Britain and Tania Miller, who has dual British-Australian nationality.

German Hostel Fire Ruled Accident

BONN (Reuters) — A fire that swept through an asylum-seekers' hostel killing a 2-year-old Lebanese child in the north German town of Emstek was started by accident, the police said Tuesday.

The police said the blaze Monday began when a lamp overheated and fell onto a bed. Four other children escaped the fire, which broke out while their parents were at a nearby hospital where the mother was undergoing surgery.

Castro Gets an Appeal to Step Down

CARTAGENA, Colombia (Reuters) — Leading European, Latin American and Caribbean politicians on Tuesday urged Fidel Castro to resign as president of Cuba and hold free elections.

Their call, in two newspaper advertisements, came on the second day of Mr. Castro's surprise visit to this Colombian port city for talks with President Cesar Gaviria Trujillo on the future of his Communist-ruled island.

TRAVEL UPDATE

Spanish fire fighters have controlled a blaze that destroyed 5,000 hectares (12,500 acres) of forest in a national park near Granada. Officials at Hueter park said they hoped the fire could be put out soon if winds remained light. Another fire, north of Valencia, was extinguished Tuesday after destroying nearly 6,000 hectares. (Reuters)

Greek workers plan a 24-hour strike in public utilities, banks, transport and industry on Thursday to back unions at the state phone company who oppose its partial privatization. (Reuters)

Jerusalem police are setting up a special force to guard Muslim, Christian and Jewish shrines in the city, a spokesman said Tuesday. The decision followed recommendations from an internal investigation into a clash in October 1990 in which 17 Palestinians were killed by Israeli police at Al Aqsa Mosque. (AP)

Shoppers have overtaken gamblers at Buckingham Palace. Overwhelmed by the demand for mugs, chocolates and neckties, the palace said Tuesday it will start a second souvenir shop. Suppliers of trinkets are being nudged to step up production. The palace opened to tourists for the first time Saturday, and while ticket sales have been lower than forecast, the souvenir trade has thrived. (AP)

More than 90 people have perished in the Alps since the climbing season began in June, according to mountain rescue services, which attribute the soaring toll to inexperience by the tourists trying to go up the peaks. Forty-four deaths have been reported in Austria, at least 21 in Switzerland, 8 in Italy and 18 in France. (AFP)

GAP: GIs Gone From Fulda Gap

Continued from Page 1

Soviet Union as at keeping a vigil over any military buildup.

"Had we not patrolled the border very professionally, the guy on the other side wouldn't have folded his fence and gone home," said Colonel William Wallace, commander of the regiment.

The patrols ended in April 1990, made obsolete by approaching German reunification. But, unlike some German communities that quickly lobbied to have the U.S. soldiers removed from their presence, Fulda, a pretty, baroque town that houses the regiment's head-

quarters, wanted the soldiers to stay. Relations with the Americans traditionally have been good, having survived even mishaps such as the time a few years ago when a fresh lieutenant thought — incorrectly, it turned out — that his mobile howitzer would squeeze through an ancient city gate.

Wolfgang Hammerger, the city's mayor, even traveled to the Pentagon last month to make a final plea for keeping the troops in Fulda. But for the most, the protest against the departure has been replaced by a wistful acceptance.

Allies See End of Siege As Key to Avert Attacks

By Joseph Fitchett
International Herald Tribune

PARIS — In approving standby plans for allied air strikes in Bosnia, Western governments backed the U.S. view that military intervention would be used to prevent Serbian forces from starving Sarajevo into surrender, NATO officials said Tuesday.

"The situation has to improve" for Sarajevo instead of stagnating in the present grim conditions, a Clinton administration official said in Brussels, in explaining the political framework of the allies' decision to agree to attacks.

An ultimate political impetus for ordering NATO warplanes into action still has to come from allied capitals, principally Washington and Paris. They would also have to persuade the UN secretary-general, Boutros Boutros Ghali, to request NATO action.

"This is action that we still hope we can avoid taking," the American official said in Brussels, acknowledging that Bosnian Serb forces seemed skeptical of the Western threats.

But a NATO official, turning aside suggestions that NATO was engaging in bluster, said that this time Western capitals had set "criteria" about what Serbian forces must do to avoid intervention.

He and other officials declined to provide specifics, arguing that policymakers needed.

But NATO officials said that they discerned a tougher sense of purpose in the alliance, which smoothed the way to political approval Monday of final options.

Hardening Western policy about military action reflects a tactical alliance between the United States and France, countries often in political rivalry within NATO but now united about Bosnia.

Continued from Page 1

"both sides — Muslim and Serb — were cooperating."

In reality, UN officers said, the Serbs appeared to be seeking to use the guise of a withdrawal to change their troops and insert fresh ones into the fray.

The French military spokesman also said that starting Tuesday morning, Serbian forces on Mount Igman had taken back all the positions that they handed over to UN forces on Monday, when the withdrawal was scheduled to begin.

"We were left with nothing," he said. "Yesterday, the Serbs were the 'nice guys' and today they're not. They've retaken their positions and told us to wait."

By the end of day, it seemed that the only Serbian position that had been vacated was the top of Mount Bjelasnica, a 6,817-foot (2,080-meter) peak, that overlooks the 6,547-foot Mount Igman.

Lieutenant Commander Barry Frewer, chief spokesman for the UN force, said that before the Serbs left the mountain top they blew up and set fire to the main television transmitter for the Sarajevo area.

From a distance it looked like the Leaning Tower of Pisa.

"Because we don't know where the Bjelasnica forces went we don't know if this is a withdrawal of a redeployment," Commander Frewer said.

Mediators Back Position

Alan Riding of The New York Times reported from Geneva:

In directly endorsing Bosnian Muslim demands, the international mediators on the former Yugoslavia said Tuesday that they would not reconvene peace talks on Bosnia-Herzegovina until Serb forces had withdrawn fully from the two strategic mountain peaks overlooking Sarajevo.

BOSNIA: 'Cat and Mouse' Game

Continued from Page 1

The Bosnian Muslim delegation has been boycotting the negotiations with Serb and Croat leaders since Aug. 1 to protest the Serb seizure of Mount Igman and Mount Bjelasnica. A United Nations spokesman said Serbs had pulled back from Mount Bjelasnica, but were still present on Mount Igman.

The spokesman, John Mills, said that the European Community's mediator, Lord Owen, and the United Nations envoy, Thorvald Stoltenberg, had concluded that it would be "unfair" to ask the President, Izetbegovic, to return to the talks until all Serb forces had withdrawn.

Tuesday morning they telephoned the Bosnian Serbs' leader, Mr. Karadzic, to demand speedy evacuation of his troops from Mount Igman.

They later repeated their message in a two-hour meeting with Mr. Karadzic, who telephoned his military commander, General Mladic, in their presence.

Mr. Mills said the Serb leader then informed Lord Owen and Mr. Stoltenberg that his forces "were ready to leave but he raised a number of concerns, such as the number of United Nations troops who would take their place."

Mr. Mills said the mediators were nonetheless hopeful that the negotiations might resume Wednesday.

He said Mr. Stoltenberg would obtain an up-to-the-minute report from United Nations military commanders in the field early Wednesday before he and Lord Owen decided if the talks could go ahead.

Mr. Izetbegovic, who also held a private meeting with the mediators this afternoon, told reporters that the negotiations would resume "maybe tomorrow at 10 A.M. — if the Serbs withdraw from the mountains."

NATO: Mixed Signals

Continued from Page 1

the first time in its history, to use air power for something other than the defense of its territory," a senior NATO official said. "That's a big shift."

Perhaps, although the shift is thus far largely rhetorical, as Assistant Secretary of State Stephen Oxman said of the Serbs. "Deeds are more important than words."

Yet the alliance's willingness to redefine itself bespeaks NATO's fear of its own irrelevance. That is partly because no bureaucracy desires its own demise; more charitably, it is because there is agreement on the continued importance of common security, even if the threat is no longer as easily defined as in the days of East-West confrontation.

The recent buzz phrase "out of area or out of business" hung heavily over the recent meeting in Brussels. Coined by three Rand Corp. analysts in a recent paper on NATO's future, the phrase captures the difficulty facing the alliance.

Without a strategic overhaul — including more robust German participation, membership for several East European nations and a willingness to actively pursue vital interests beyond its traditional Atlantic region — the alliance will quickly atrophy, the authors contend.

The conflicts in the former Yugoslavia, and particularly the death throes of Sarajevo, have brought the issue to a climax. Some NATO officials believe that the predicament is as critical to NATO's stability as the "dual track" controversy of the late 1970s and early 1980s, when the alliance agreed, amid great turmoil, to match a new generation of Soviet nuclear missiles while simultaneously pursuing arms control negotiations.



Irma clutched a doll during the flight that brought her to London for emergency treatment.

In U.K., Surgery for Sarajevo Girl

Reuters

LONDON — A wounded 5-year-old girl seen as symbolizing Sarajevo and the world's failure to stop the Bosnian war was diagnosed Tuesday as having meningitis, but doctors said she had not suffered permanent brain damage.

Great Ormond Street Children's Hospital here said scans had found that the girl, Irma Hadzimiratovic, was suffering from the disease, an inflammation of the brain. Neurosurgeons operated for three hours during the night to remove fluid from her brain and shrapnel from her spine.

She was flown from Sarajevo on Monday by the Royal Air Force in an act whose motivation was questioned Tuesday in the British press.

There was no sign of serious brain damage but it will be several weeks before doctors can assess the possibility of permanent injury from an infected wound in her back, Dr. William Hartness said.

Irma, victim of a Serbian mortar attack 10 days ago, in which her mother was killed, was evacuated in a British relief aircraft after Prime Minister John Major responded to an appeal from a doctor in Sarajevo, Edo Jaganjac.

Government sources said Mr. Major had interrupted a holiday to order the airlift after being touched by Irma's ordeal. But some commentators saw more to the operation than a humanitarian effort, saying that Irma's story diverted

attention from the faltering Bosnia peace talks and uncertainty over possible NATO air strikes on Serbian positions.

"The spectacle of politicians rushing to rescue one young casualty of war is a triumph of cynicism masquerading as compassion," said Maggie O'Kane, a columnist in The Guardian, one of a number of skeptical responses.

Mr. Major, however, denied Tuesday that his government had been shamed into acting by pictures of television and on the front pages of newspapers.

"No we haven't," he told reporters in Oxford. "We were the first people to put in humanitarian aid. I think people across the world recognize that."

OVERHEARD



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POLITICAL VOICES

West Reshaping of Land Policy Starts

WASHINGTON — Returning to an issue set aside when it appeared to threaten the budget negotiations, the Clinton administration has announced plans to more than double grazing fees for ranchers who use federal land, as the first step toward reshaping Western land policy.

Environmentalists heralded the action and predicted that it would reduce overgrazing on public land, which they say harms wildlife forests and streams. Western Republicans condemned it as a betrayal, while Democratic senators from the West said the measures were less severe than the proposals President Bill Clinton had originally made in his budget, and which they had persuaded him to drop.

Interior Secretary Bruce Babbitt, who announced the fee increases and a number of new controls over water rights and the use of public land, said more changes would be announced next month. He and other administration officials described the move as part of a wide-ranging effort to reverse a century of federal policy that promoted development in the Far West with government subsidies.

The new land management policy, administration officials predict, will mean that miners will begin paying royalties for mining gold and other metals, timber companies will no longer log national forests at below-market prices, and farmers will begin to pay surcharges to irrigate federal land.

"It's about our commitment and our responsibility to live more lightly on the land," Mr. Babbitt said. "It's about asserting our American heritage, the landscape, the resources and the culture that constitutes the American West."

The policy announcement represented a victory for Mr. Babbitt, who as a former governor of Arizona has argued vehemently within the administration that the president can overturn outdated land policies without committing the political suicide in the West.

Administration officials said the change in grazing fees, which would apply to owners of livestock that graze on the 280 million acres (115 million hectares) of public range, should generate an average extra \$20 million a year for the Treasury as it is phased in by 1996, about \$4 million less than the administration had originally proposed. (NYT)

Nixon Must Get Personal Tapes, Judge Says

WASHINGTON — A federal judge has barred the National Archives from releasing more of President Richard Nixon's White House tapes until all personal conversations are separated and returned to him.

Judge Royce C. Lamberth of U.S. District Court said the statute authorizing the release of tapes made by Mr. Nixon immediately after the Watergate break-in provided that "purely private material be returned for his safe custody and use." He added: "We are now in 1993. Not one bit of that material has been turned over."

The archive office, which so far has released 63 of 4,000 hours of tapes, was granted custody of the recordings in a 1974 law. In 1977 the Supreme Court upheld that statute and ordered the archives to return personal materials, such as conversations with relatives and other recordings unrelated to government business, to Mr. Nixon.

By granting Mr. Nixon his request for a preliminary injunction, Judge Lamberth halted the release of four hours of tapes that were to have been made public this month. The segments contained conversations from July and August of 1972.

"I don't think this will stand in the long run," said Patti Goldman, a lawyer for Public Citizen Litigation Group. (NYT)

Hillary Clinton Wooes Hospital Group

WASHINGTON — Stepping up the Clinton administration's drive to overhaul the health care system, Hillary Rodham Clinton appealed for the support of the American Hospital Association, telling the group that the president's emerging program would restore "compassion and caring to our society."

She also dangled before the association a quid pro quo for its backing: relief from antitrust regulations so that hospitals can discuss confidential business affairs with one another and with networks of doctors in an effort to reduce operating expenses and patient fees.

Mrs. Clinton did not disclose any new details of the plan, but she praised the progress that many hospitals have made in realizing themselves as "patient care providers." She acknowledged that many such hospitals, in seeking to merge or simply share expensive high-technology equipment, have felt stymied by their inability to "get quick and reliable advice from the enforcers of the antitrust laws." (LAT)

Quote / Unquote

Thomas S. Foley, the speaker of the House, on the passage by Congress of the president's budget package: "I think it helps his Congress to know particularly when you look at the alternative. If he had lost this vote in the House or the Senate, we'd be sitting here today answering questions about whether the Clinton presidency had any future at all." (AP)

Away From Politics

- How do you keep well-fed geese, padding in your drinking water, from doing what geese do? Other cities have covered their reservoirs with plastic, but New York City officials are drafting plans for a concrete cover. Investigators traced an outbreak of bacteria in city tap water to gulls at the Hillview reservoir in Yonkers.
- The first new drug therapy for cystic fibrosis in 30 years has won backing from a Food and Drug Administration advisory panel in Rockville, Maryland. The committee based its unanimous vote for approval on a study that found the drug, domoate alfa, reduced infections and improved the quality of life for stable cystic fibrosis patients over age 5.
- A former Mississippi College president pocketed at least \$3 million in contributions to the school since 1978, a lawsuit filed by the non-profit Baptist college in Jackson, Mississippi, charged. Lewis Nobile Jr., who resigned last week, was named in 1986 as one of the 19 best college presidents in the United States in a national most effective college president survey.
- A compromise on storage of spent nuclear fuel was negotiated by the Department of Energy between the state of Idaho and the Navy to allow the storage at a federal atomic reservation.
- The Church of Christ, Scientist said it would cut back its international shortwave radio broadcasts and sell one of its three transmitters in an effort to save money. The church, which owns one of the most powerful shortwave radio networks in the world, also will sell air time to other broadcasters.
- For Sale: Rusting 158-foot freighter. Name: Golden Venture. Last voyage: To New York City from Southeast Asia, with 300 illegal immigrants from China aboard. Price: \$17,500 or best bid. Buyers have been invited to take a look at the freighter, now docked on Staten Island. (NYT, AP)

Public Is Skeptical Of Clinton Budget, But Finds It Fair

WASHINGTON — The public is skeptical of President Bill Clinton's economic legislation, expressing doubts that it will help the economy or curb budget deficits, according to a Washington Post-ABC News poll.

Mr. Clinton has made progress in convincing a majority of Americans that his plan spreads the tax burden fairly, but two out of three expressed agreement with Republicans that the measures are too heavy on taxes and do not cut government spending enough.

Overall, 48 percent of those sampled from Friday through Sunday night said they disapproved of the congressional version of the Clinton economic plan, while 43 percent approved. Eight days earlier, as the final, intensive partisan debate was beginning, the public divided evenly, with 38 percent approving and disapproving the proposals.

The same doubts surfaced when people were asked to gauge the impact on the economy and future deficits of the complex budget reconciliation bill. They divided almost evenly on whether the plan would help or hurt. But those who doubted the plan would help were much more intense in their feelings. For every person who thought the plan would help greatly there were three who said it would do harm.

These doubts appear to have deflated the president, at least for now, any significant political boost out of the biggest legislative victory of his roughly 200 days in office. His overall approval rating is 51 percent, down from 55 percent in a statistically indistinguishable poll the level he has maintained since May. The numbers suggest that Mr. Clinton has put a floor under the precipitous decline in support he suffered in his early months in office but has not begun a recovery.

That is reinforced by the rating people gave him on handling the economy, where 55 percent to 40 percent disapproved, mirroring the findings since May. He rated lower on foreign policy, and scored notably higher on the federal response to the Midwest floods, where 7 out of 10 in the survey expressed approval of his actions.

Glen Bolger, whose firm, Public Opinion Strategies, polls for Republicans, said the numbers suggested that while Mr. Clinton's feat in squeezing out narrow majorities in the House and Senate "is being hailed by the media as a process victory, it is being perceived by the voters as a policy loss."

But Stanley Greenberg, Mr. Clinton's pollster, said it showed the plan would not hurt. He said "despite spurring a dead-even" split on raising taxes and cuts that raises taxes and cuts spending on some popular projects.



President Bill Clinton defending his deficit-reduction plan and tax legislation from the steps of the West Virginia Capitol in Charleston.

Mr. Clinton's position, he argued, was far stronger than that of governors of both parties when they pushed through similar measures. "This is the toughest moment," he said. "I think there's hope in these numbers."

What Mr. Greenberg called "a very impressive" was the upward trend in the percentage of people saying they think they are being asked to do their fair share under the plan, rather than being given an unfair burden. In successive polls in June, July and August, the "fair share" bloc climbed from 41 percent to 49 percent to 56 percent.

while the "unfair burden" group dropped 15 percentage points.

Winning the "fairness" argument was a major objective of Mr. Clinton's sales drive for his plan, and Mr. Greenberg said he took heart from the fact "we've gained back much of the ground we had on Feb. 17," the date Mr. Clinton introduced his plan in an address to Congress. Then, 70 percent of all people and 77 percent of those who had heard or listened to the speech told the Post-ABC interviewers they thought the program fair.

The favorable verdict on fairness apparently reflects the fact that more than 7 out of 10 members of the public approved the plan's increase in taxes on top-bracket earners and on business. By contrast, there was a slim majority for cuts in payments to Medicare providers and small majorities opposed the increase in the gasoline tax and the higher tax on Social Security payments to retirees with substantial outside incomes.

Mr. Clinton has not convinced the middle-class of his claim that it would find few taxes going up. Overall, more than 7 out of 10 said they thought their taxes would go up somewhat or a lot. In the middle-income brackets, between \$20,000 and \$50,000 a year, one out of five expected taxes to increase a great deal and roughly three out of five said they figured they would go up somewhat.

The survey confirmed the continuation of the negative frame of mind that led to an upheaval in November in both the White House and the membership of Congress. Seven out of 10 Americans continued to say the country is "pretty seriously off on the wrong track" and only one in four said the government can be trusted to do what is right most or all of the time.

In Last Note, Clinton Aide Deplored D.C. Politics

Compiled by Our Staff From Dispatches

WASHINGTON — The deputy White House counsel, Vincent Foster Jr., committed suicide after writing a note saying that he "was not meant for the job or the spotlight of public life in Washington," officials said Tuesday.

"Here, ruining people is considered sport," he wrote in a note found on pieces almost a week after he wrote the note, according to the U.S. Park police chief, Robert E. Langston.

Mr. Foster's wife, Lisa, had told him one and a half weeks before he died of a single gunshot wound to the head that he should write down his concerns, Mr. Langston said, adding that the note could have been written at any time after that.

He said the condition of the death scene, the medical examiner's findings and the information from friends and family about Mr. Foster's anxiety and job concerns clearly indicated that Mr. Foster committed suicide.

"Our investigation has found no evidence of foul play," he said at a press conference in the Justice Department.

Robert Bryant, special agent in charge of the FBI's Washington field office, said, "What we have here is a great, sad tragedy in our community."

In a note that had previously been described by a White House official as akin to a draft of a resignation letter, Mr. Foster said, "The public will never believe the innocence of the Clintons and their loyal staff."

The next line was a direct shot at the Wall Street Journal, which had targeted him for critical editorials. "The WSJ editors lie with-out consequence."

The role of the Wall Street Journal in Mr. Foster's anxiety was central. The Journal published two editorials shortly before his

'Ruining People Is Considered Sport'

The Associated Press

WASHINGTON — Following is the text of a note found in the briefcase of Vincent Foster Jr., deputy White House counsel, on July 26 and released by the Justice Department. The punctuation is Mr. Foster's.

"I made mistakes from ignorance, inexperience and overwork. I did not knowingly violate any law or standard of conduct."

"No one in the White House, in my knowledge, violated any law or standard of conduct, including any action in the travel office. There was no intent to benefit any individual or specific group."

death that raised questions about the high government positions held by a handful of lawyers who had previously worked in Arkansas with Hillary Rodham Clinton, the Kansas wife. All were members of the Rose law firm in Little Rock where Mr. Clinton had practiced. Mr. Foster and President Bill Clinton had been close friends since childhood.

The editorials, one entitled "Who Is Vince Foster?" essentially charged the Clinton administration with cynicism.

Since the suicide, the Journal has been publicly criticized by some Washington columnists, and the Journal has twice published editorials defending its position and urging that a full investigation be conducted of Mr. Foster's death.

Among the issues clearly weighing on Mr. Foster was the White House's handling of changes at its travel office, which organizes charter aircraft to ferry the press that accom-

panies President Clinton. In the spring, the White House set off a landslide of critical news articles when it summarily dismissed five travel office workers and temporarily turned over control of the office to a distant cousin of Mr. Clinton.

A sharply self-critical report issued later by the White House chief of staff resulted in the rehiring of those workers. But Republican officials continued to demand the appointment of a special prosecutor to investigate the firings and to determine whether the travel office was being investigated for possible financial misdeeds. Attorney General Janice Reno chastised the White House for not coming to her before seeking FBI assistance.

Though not directly cited by the internal White House report, Mr. Foster oversaw the White House lawyer who made contact with the FBI in the travel office affair.

Mr. Foster's note makes several allegations that are being pursued by the Justice Department.

After saying that no one in the White House did anything wrong in connection with the travel office and that "there was no intent to benefit any individual or specific group," Mr. Foster wrote: "The FBI lied in their report to the AG."

"The FBI lied in their report to the AG. The press is covering up the illegal benefits they received from the travel staff."

"The GOP has lied and misrepresented its knowledge and role and covered up a prior investigation."

"The Ushers Office plotted to have excessive costs incurred, taking advantage of Kaki and HRC."

"The public will never believe the innocence of the Clintons and their loyal staff."

"The WSJ editors lie without consequence."

"I was not meant for the job or the spotlight of public life in Washington. Here ruining people is considered sport."

Arabs Balk U.S. Over China Ship

By R. Jeffrey Smith

Washington Post Service

WASHINGTON — The United States has been trying for two weeks to verify a cargo of what it suspects are chemical-weapon materials being shipped to Iran from China, according to U.S. officials.

But Washington has been unable to persuade normally cooperative Arab countries in the Middle East to allow the ship to dock for inspection, the officials said.

Three Arab countries have refused to open their ports to the ship after statements from Washington that it is probably carrying prohibited chemicals to the Iranian port of Bandar Abbas, they said.

The U.S. officials said the United Arab Emirates, Kuwait, and Bahrain had refused to intercede in the shipment, apparently because of reluctance to antagonize Iran.

They officials said Washington was pressing Saudi Arabia to allow the ship to dock there for inspection.

Diplomatic tussling over the ship began shortly after it left a north-eastern Chinese port July 15.

The following week, the U.S. ambassador to Beijing, J. Stapleton Roy, informed officials at the Chinese Foreign Ministry that the ship appeared to be carrying two chemicals used to manufacture blister and nerve agents, thiodiglycol and thionyl chloride.

Both chemicals are on a list of poison-gas materials subject to strict international controls that Beijing has pledged to respect, the officials said.

Mr. Roy asked that China prevent the ship from reaching Iran and order it to submit to inspection in a port with U.S. participation.

China, while publicly denouncing the U.S. effort to interfere in the shipment, has kept the vessel from moving to Bandar Abbas.

The ship has been lingering in Iranian territorial waters since Thursday under nearly continuous U.S. air and naval surveillance, the U.S. officials said.

U.S. Plans to Ease Exporting of Rocket Technology

By Douglas Frantz

Los Angeles Times Service

WASHINGTON — The White House is attempting to balance Mr. Clinton's campaign pledge to stem the spread of weapons technology with the need to stimulate jobs through exports, particularly in the beleaguered aerospace and defense industries.

The proposals also include continued restrictions on the proliferation of nuclear, chemical and biological weapons. All the agencies involved in making the proposals

have agreed that they should be carried out, according to senior administration sources. The president is expected to act on the recommendations soon.

The proposals are fraught with potential controversy. On the one hand, business is pressuring the administration to ease the restrictions, arguing that U.S. industry is being unfairly hampered while foreign competitors sell the technology without restrictions. At the same time, there is concern that the sale of such technology could speed up production of weapons that be used

against the United States and its allies.

In an effort to address the concerns, sources said, the proposal to sell rocket technology is coupled with plans for tighter guidelines on the spread of ballistic missiles and a worldwide ban on the production of weapons-grade uranium and plutonium.

Separate consultations are under way with allies to ease restrictions on computer exports and to allow foreign sales of supercomputers that perform at levels above those now permitted for export.

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Herald International Tribune

Published With The New York Times and The Washington Post

Bosnia Policy Is a Farce

One at least understands the Europeans. They are accustomed to thinking of the Balkans as ungovernable, and they hinge their policy to low expectations of what measure of justice and sovereignty might still be saved for Bosnia. But for the Americans it's a different story. Ostensibly there is great feeling, public and official, for the Muslims.

The West Is Capitulating and Owen Should Walk Away

By Jim Hoagland

WASHINGTON — By asking the Bosnians to divide Sarajevo and give the Serbs control over part of the Bosnian capital to get a truce, David Owen has put an end to whatever good he could do for the people of ex-Yugoslavia or the international community. He should resign rather than help dig the grave deeper for the victims of the Bosnian war.

accept the responsibility for that outcome. The proposal to divide Sarajevo shows that the threats in Washington and Brussels about NATO military action to preserve Sarajevo are not intended to be carried out. These threats sound like bluff, thrown out to obscure the West's continuing inability to intervene in a decisive way to save Bosnia.

Don't Give Up in Somalia

Four Americans died in Somalia on Sunday — the first U.S. combat deaths since the United Nations took command of peacekeeping operations there in May. It is a painful reminder, sure to bring calls to withdraw the 4,000 remaining U.S. troops. But a more constructive response would be for Washington to insist that the operation return quickly to its original goals: humanitarian relief, political reconciliation and rebuilding a functional government.

Russia and America: Shore Up the Fraying Strategic Partnership

By Dimitri Simes

WASHINGTON — There are growing signs of estrangement between the United States and Russia. As Russia is preoccupied at home and has no resources for global rivalry, chances for a resumption of the Cold War are zero. But a less cooperative attitude from Moscow could create serious problems for Washington, ranging from a new paralysis of the Clinton administration.

whose views, while not as much in tune with American policy, do not fundamentally collide. The neglect of Vice President Alexander Rutskoi has become a self-fulfilling prophecy encouraging him to suspect the United States of dark designs.

Toward a UN Police Force

As the United Nations expands its missions to make and keep the peace, it increasingly finds itself in places where military force is not enough. Sometimes, where governments have collapsed, there is an urgent need for civil police. Their functions are quite different from the military's, and using soldiers as substitutes for policemen can make trouble. That has been the case in Somalia. But an international police force can be much harder to organize than a military operation.

The principal reasons for Russian disenchantment have nothing to do with the Clinton administration.

considerable part of the population had unrealistic expectations that the new, nonaggressive conduct of foreign policy and adherence to the recommendations of international financial institutions would bring billions in Western assistance to alleviate the pain of reform. With those naive hopes frustrated, some backlash was inevitable.

Europe and Japan Can Get the Engines Humming

By C. Fred Bergsten

This is the second of two articles.

WASHINGTON — Europe buys more than one quarter of all U.S. exports and is thus central to the "global growth strategy" that the Clinton administration has consistently pushed. But the European Community has failed to play its part in that strategy because it was fixated on avoiding changes in currency exchange rates among its member countries as it sought their economic integration.

Other Comment

Help Asia Down the Open Path
Nowhere are the aspirations to join the ranks of the middle class greater these days than in Asia. Nowhere is the climb up the economic ladder faster than in that region of the world. Incredible economic growth is catapulting huge numbers of people to a better life. But some deep-seated ways of Asian governments are not compatible with cultural notions from other regions. Many governments remain closed and exhibit behavior deemed reprehensible in the West. But a more modern, prosperous Asia-Pacific will eventually be a more open place. The world's fastest-growing region offers a huge market for American goods — if U.S. policymakers forge a coherent, well-integrated approach to Asia.

Good Work in Progress in Somalia

By Madeleine K. Albright

The writer is the U.S. permanent representative at the United Nations.

NEW YORK — With the killing of four U.S. servicemen in Somalia on Sunday, more Americans may ask why we should care about the United Nations effort to restore that failed state. President Bill Clinton has said we have no choice but to protect our soldiers and make sure the mission succeeds.

Finally, of course, America's political leaders need to demonstrate that the budget plan adopted last week really deserves the global applause it has received. Only then will America be in an economic and moral position to prod other countries to do what they can to get the world economy moving. The budget deal will not hold unless American growth picks up. But growth will not pick up unless America shows the world that it is serious, this time, about the budget deal.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Statesman Pleads
PARIS — M. Clemenceau again. And to think that there are still nine days before the elections, and that he will furnish the public with matter for discussion every day! M. Clemenceau has delivered a long speech in his own defence at a meeting of his electors. It was rather special pleading than a political discourse. The Extreme Left leader was faint to furnish explanations respecting his private life and his personal expenditure.

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Slain American Was a CIA Operative

By Steven A. Holmes
New York Times Service

WASHINGTON — An American who was shot and killed Sunday night in the Caucasus near Tbilisi, Georgia, has been identified by senior U.S. officials as an operative of the Central Intelligence Agency.

The victim, Fred Woodruff, 43, originally from Stillwater, Oklahoma, was shot in the head while riding in a car with Eldar Gugusladze, the security chief for Eduard A. Shevardnadze, the head of the former Soviet republic.

Mr. Gugusladze was not wounded.

Washington officials said that Mr. Woodruff was one of several people in the U.S. Embassy in Tbilisi who had been identified to the Georgian government as working for the CIA.

He arrived in Georgia in June, State Department officials said, and was due to return to the United States soon.

The shot that killed Mr. Woodruff was fired from inside the car in which he was riding, Agence France-Press reported from Tbilisi, quoting sources close to forensic experts investigating the slaying.

Initial reports from the Georgian Embassy in Moscow indicated that Mr. Woodruff had died when armed men ambushed the vehicle and raked it with gunfire on the outskirts of Tbilisi. But the forensic sources said Tuesday that he died of a bullet through the skull that had been fired from close range inside the vehicle.

A senior official in the Georgian Interior Ministry said in private

that there were no bullet holes in the car.

[The official added that Mr. Gugusladze was "in a state of drunkenness" on his arrival in Tbilisi after the slaying of the American and added that the security chief was "known for his excesses when drunk."

Spokesmen for the State Department and the Central Intelligence Agency declined to confirm that Mr. Woodruff had worked for the spy service. High officials said he did not stress that he had not been spying on Georgians. He was on an assignment to train Mr. Shevardnadze's security forces, they said.

Mr. Woodruff was listed officially as a State Department Foreign Service officer. But it is common

for CIA officers working abroad to be concealed under other positions.

The Georgian Embassy in Moscow said that Mr. Woodruff and Mr. Gugusladze were returning from sightseeing in a town near the Russian border that has spectacular vistas of Mount Kazbek.

The director of central intelligence, R. James Woolsey Jr., arrived in Moscow on Saturday for meetings with Russian officials, and he went to Tbilisi on Tuesday to retrieve Mr. Woodruff's body. This was an unusual step, a tacit acknowledgment by the CIA that Mr. Woodruff was one of its own.

During his brief visit, Mr. Woolsey met with Mr. Shevardnadze before leaving for the United States by special plane with the body of Mr. Woodruff.

Somali Clan Is Key to U.S. Pullout

By Michael R. Gordon
New York Times Service

WASHINGTON — The United States will not be able to withdraw its troops from Somalia as long as General Mohamed Farah Aidid's clan remains a disruptive political and military force there, senior U.S. officials said.

The assessment was made after four American soldiers were killed in Somalia on Sunday, and it reflected the gradual expansion of Washington's original mission from a short-term relief operation to a longer effort to bring stability to the country.

Adding to the sense of frustration, U.S. officials said that the four soldiers who died Sunday were killed by a remote-controlled bomb, not a mine as originally thought. The difference is significant because the soldiers were not victims of random violence but were, in effect, killed in a deliberate ambush by hostile Somalis.

Admiral Jonathan Howe, the UN special envoy in Somalia, said by phone that "circumstantial evidence" suggests that General Aidid was behind the attack.

"There is no doubt in my mind that this is Aidid," Admiral Howe said. "He is the only person that is fighting the UN. He has made threats to do just this kind of thing."

The UN envoy said that while

the attack was part of a "terrorist" offensive launched by General Aidid against the UN peacekeeping force. It was not yet clear whether the Somalis knew that they were attacking Americans.

Since U.S. troops were rushed to the Horn of Africa in December, there has been a slow but steady expansion of the American mission there.

President George Bush originally ordered U.S. troops to Somalia to make sure that food and aid were delivered to Somalis who had survived a devastating civil war and who were suffering from the famine that followed. But United States said it hoped to withdraw its forces after several months and to turn over the peacekeeping mission to a UN force.

But withdrawing has proved difficult. While the U.S. military presence has been reduced from 25,000 to about 4,000, UN members have been reluctant to contribute troops without American logistical support and, more important, U.S. firepower on the ground.

Still, the Pentagon has been pushing for a review of Somalia policy, with an eye toward determining the "exit conditions" for phasing out the American troops when the latest attack occurred.

After the attack, Samuel R. Berger, the deputy national security

adviser, asked that the review be expedited.

A senior official familiar with the review said no final decision about the conditions for withdrawing the force has been made, but he suggested that the basic parameters were becoming clear.

He and other officials argued that while famine was no longer a major problem, the security in the country was so fragile that any substantial U.S. withdrawal now could lead to the collapse of the rebuilding effort in Somalia and a disruption of food deliveries, making hunger again a problem.

The official said a U.S. military force would be needed until the United Nations had succeeded in establishing a "minimal level of security."

The official said it was clear that an adequate level of security did not currently exist, and he suggested that the stability of Somalia would be in jeopardy until General Aidid's clan was no longer a decisive political and military factor in Somalia.

The official said that the general's capture need not be a necessary condition for withdrawing the Americans. Nor, he argued, did the United States need to keep troops in Somalia until a new government is established, an effort that could take years.

ROCKET: Lighter Launcher

Continued from Page 1

funds materialize, engineers would embark on a full-scale, 125-foot, 640-ton craft that could loft payloads up to 10 tons into orbit, possibly as soon as 1998. Its advocates say it would usher in a new era in which space travel would finally, after decades of frustrated dreaming, become cheap, regular and reliable.

"It's the next step," said Steven J. Hooser, executive director of the Space Transportation Association, a trade group in Arlington, Virginia.

Skeptics say such promises have been made before and turned out to be mostly empty, notably with the space shuttle. It could take many years and many failed experiments, they caution, before lightweight materials are successfully adapted to withstand the punishing heats, vibrations and stresses experienced by a speeding rocket. And technical success would be no guarantee of low-cost operations, they argue.

Even so, architects of the vehicle seem ecstatic, saying it is the most innovative space effort to be undertaken in decades. Paul L. Klevatt, program manager for the craft at McDonnell Douglas, said by phone from New Mexico that his team was toiling to ready the vehicle amid growing tension.



A resident of Hull, Illinois, north of St. Louis along the Mississippi River, helping his parents clean up their flood-damaged home.

FLOOD: 'The Worst Is Past,' but Huge Cleanup Brings Its Own Anguish

Continued from Page 1

St. Charles, Missouri, a town just northwest of St. Louis, as he hosed a pile of muddy debris back into the receding Missouri River.

A month ago, satellite pictures found so much water covering the Midwest that the region resembled a sixth Great Lake. The latest pictures indicate that lake is steadily shrinking, particularly in the upper reaches of the disaster region where the flooding started.

The worst is definitely over, but people need to stay on their toes, said Jim Brown, a spokesman for the Corps of Engineers. "We're dealing with what probably is the worst flood man has ever witnessed in this country, certainly the Midwest. Some levees could collapse even as the waters recede."

And what of the damage to the huge, \$25 billion system of reservoirs and levees designed to control such flooding by the nation's rivers? While no estimates are in yet, the damage is clearly huge and the failure of the system indisputable. This failure has renewed environmentalists and levee builders about the wisdom of trying to rein in nature and build on floodplains.

More than 800 of the 1,400 levees in the nine-state disaster region were topped or breached. Most of them were built by towns, cities, counties and farmers, but more than 30 levees put up by the U.S. Corps of Engineers also failed, and several reservoirs built by the corps proved too small to hold the run-off from six weeks of unseasonal rain.

"The water's been where it's never been before," said Barb Margherio, whose house in Hardin, Illinois, went under when the Illinois, Missouri and Mississippi combined record crests the first couple of days of this month.

Flood experts agree with her. Some call the great inundation of 1993 a "500-year flood," meaning that statistically over the centuries one of its magnitude should hit only once in every 500 years, though, of course, there is no guarantee that a similar or even worse flood will not occur again next spring.

This has been the kind of flood that at its absolute worst, when it was cresting in St. Louis, was sending 7.5 million gallons (28 million liters) of water past the Gateway Arch every second, six times the normal summer flow. Every 24 hours, enough topsoil slipped by that coffee-brown turmoil to cover five 1,000-acre (400-hectare) farms a foot deep.

But now, all over St. Louis—and places like Marshall, Minnesota, and Manhattan, Kansas, and Des Moines, Iowa — the great cleanup from the great inundation has begun.

It is work with its own trauma, hard on the body, hard on the nose, hard on the pocketbook and, worst of all, hard on the mind and soul.

"God, I just hate it," Rachel Carlson lamented as she mucked out her basement in St. Charles, heaving up what looked through a layer of river goo to be a table leaf. "We worked so hard to have a nice place. Now it's like a sewer. Oh, Lord, how I hate it."

Then, somehow managing a mud-spattered smile, she bent back to her task, this time retrieving what looked to be a crushed picture frame.

Try as he might, 'Old Man River, another name for the Mississippi, never managed in this summer of drowning human creations to drown the human spirit. The cleanup is under way with a vengeance.

Work crews are moving in determinedly behind the receding waters, sometimes hastening down along towed drains with huge brooms, sweeping down streets and gathering up tree trunks, oil drums and other wretched refuse, including the occasional gar or catfish hung up in a fence turned gill net.

Across the Dakotas and into Wisconsin, then down through Nebraska and Illinois and into Missouri, fields that once resembled small lakes are beginning to dry out, and farmers are itching to start fall plowing.

In many cases, their summer crops are a total loss, either to river flooding or to heavy rain. The Midwest's farmers are probably the hardest hit victims of the flood of '93, by some estimates suffering close to \$8 billion of the overall \$12 billion in damage.

But their perennial optimism survives.

For Joe O'Day, whose 700 acres of beans and corn were wiped out when a levee near St. Joseph, Missouri, collapsed, "Being out there in the field is what makes me happy."

Each Picture: The Associated Press

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Heading the cast are Harve Presnell as Daddy Warbucks and, at rear with him, Kathryn Zaremba as Annie.

Annie, Daddy and Co. Are Back

By Ben Brantley
New York Times Service

NEW YORK — No sooner does 9-year-old Kathryn Zaremba sing her first note in "Annie Warbucks," the long-labored-over musical at the Variety Arts Theatre, than the audience erupts into relieved, gratified chuckles.

Zaremba, who plays the show's titular heroine, is very small, even for a 9-year-old, but her voice, which is pitched somewhere between a bogle and a gym teacher's whistle, is enormous. Never mind that her diction sometimes suggests that her cheeks have been stuffed with M&Ms. The kid can belt, and she seems as un-self-conscious as a kitten.

In the old-fashioned American musical, which is what "Annie Warbucks" frankly aspires to be, big voices out of little bodies are held dear, representing a combination of nerve and aggression that is at the very heart of the form. Innocence as high volume was after all what put over the original "Annie" — the 1977 Broadway blockbuster inspired by the long-running comic strip "Little Orphan Annie" — to which this production is a sequel. "Annie" was audaciously anachronistic, and after a decade of musical theater dominated by the chillier charm of Sondheim, audiences lapped up its brazen sentimentality.

"Annie Warbucks" reunites that show's original core team, led by its librettist and director, Martin Charnin. They have slavishly upped the ante on much of what made the first production a hit. Its little-girl star is

younger, the slapstick is broader, the jokes bawdier, and the can-do optimism even more intense.

Unfortunately, in other ways this "Annie" is less than its prototype. Charles Strouse's tunes are simmer, sliding quickly from the memory, and the staging is far less opulent.

The play takes off exactly where its progenitor ended, in the New York mansion of Annie's billionaire guardian, Oliver Warbucks (Harve Presnell, who played the original role on tour and, later, on Broadway), on Christmas Day in 1933. This is probably a mistake: the set sparkled grandly on the Alvin Theatre's stage 16 years ago; here, with a Christmas tree that seems made of pasteboard (the work of Ming Cho Lee, who valiantly tries for a shorthand equivalent of Broadway dazzle), it evokes the Depression in ways that could not have been intended.

The plot that follows is in many ways a re-read. It is propelled by a scheming, gargoyle-like villainess much like the original "Annie's" nasty orphanage director, Miss Hannigan. Harriet Doyle (Anne Robertson), a dowd child-welfare commissioner who believes that "a child doesn't need happiness; she needs hygiene," informs Warbucks that single parenthood is illegal and that in order to keep Annie, he must find a wife within 60 days. Secretly, of course, she has her own treacherous designs.

This story serves as an occasion to usher in many characters from the original "Annie": Warbucks' long-suffering secretary (Marguerite MacIntyre), Annie's sassy orphan chums, and Franklin Delano Roosevelt (Raymond Thorne, who created the part). Many of their scenes baldly recall vaudeville and the broad-

est '30s comedy. There are awestruck yokels in sophisticated environments; a valet who delivers withering insults with gentlemanly deference, and little girls who shimmy, a bit distastefully, like Sophie Tucker.

The jokes are intermittently funny and always outsize. The songs veer from exhortatively patriotic ("Don't lose the chance to keep this country great," the ensemble sings in the second act, sounding like the New Christy Minstrels) to downright syrupy. Many of them seem to have been written in exact correspondence to the hits that emerged from the first "Annie" — although there is nothing that promises to assume the anthem-like status of "Tomorrow" — and Charnin's lyrics are as unapologetically clunky as ever. One example: "Maybe this is what's called growin'. Hey, be brave and keep on goin'."

IN 1990, shortly after a darker, archer version of this sequel — then titled "Annie II: Miss Hannigan's Revenge" — had died painfully in Washington, Charnin speculated that he and his colleagues had "outsmarted" themselves in aiming for sophistication.

It now seems apparent that he hadn't been wrong in at least trying for a different tone. Because "Annie Warbucks" reconstructs so literally the elements of its predecessor, it invites direct comparison, and agreeable though it sometimes is, it always suffers.

Still, the show may provide a nostalgic oasis for family audiences who wish to recall a theatrical era in which the comic corn was as high as an elephant's eye and plucky little girls didn't dress like Madonna.

BBC's Tarnished 'Eldorado' Fades Away

New York Times Service

LONDON — After one short year of life, the BBC's dinosaurian soap opera "Eldorado" gasped its last this summer and fell into welcome extinction. Or at least Britain's rapacious television commentators seemed to feel its disappearance was welcome; they had mocked the poor beast unmercifully since it first lumbered to life.

A roundelay of romantic entanglements and low-life shulduggery set in an imaginary Spanish resort community, the series was everything that Anglophile admirers of Masterpiece Theatre think is foreign to British television: bloated, dull, full of words of all, it committed the sin of sin for a soap: the characters weren't sexy, weren't appealing, weren't in any way suitable for fantastical self-projection by couch potatoes.

The set alone, built in southern Spain, cost more than \$3 million; the budget was five times that, making the show the most expensive independent production ever commissioned by the BBC. The critics, especially in London's tabloid press, were merciless: "In its early days, 157 episodes ago, 'Eldorado' was almost tolerably bad," The Guardian wrote just before the final show July 9. "But then it began to improve. It

watched mediocre instead of dire." The audience banded elsewhere, with rarely more than a third of the projected 15 million people tuning in.

Eldorado's producer, Verity Lambert, has been quoted to the effect that it failed not because it was bad but because it was too experimental. And the new head of drama for the BBC, Charles Denton, seems now to be aiming even lower, unashamedly courting the biggest possible audience. "We are in direct competition with ITV for the mainstream popular audience," he told the Independent. ITV stands for Independent Television.

This has been a troubled season for British television and for the BBC in particular. John Birt, the new BBC controller, has been trying to reorganize the state television behemoth and recent ITV toward competition with an increasingly feisty private industry. Survey figures indicate that BBC1, the corporation's flagship channel, has 28.9 percent of the audience compared with 41.4 percent for ITV's Channel 3.

Birt's efforts have provoked criticism in BBC ranks. Nonetheless, clever television still gets made at the BBC, even ostensibly within the soap-opera format. The best if most eccentric example was a show called "The Vampyre."

This "Vampyre" was truly an only-in-Britain affair. It consisted of an updating of Heinrich Marschner's Romantic opera "Der Vampyre" from the 1820s, set now in contemporary London as a soap opera complete with ample frontal nudity and lustily simulated sexual couplings — all of which were performed by opera singers without doubles, singing the score pretty much as Marschner composed it, albeit with updated lyrics.

"The Vampyre" was a production of Janet Street-Porter, one of the flashier lights of British television. Street-Porter has won enemies for her brazenly self-promotional style and flamboyant looks and personal life, but as head of opera she has pumped adrenaline into the corporation. Thus her being passed over for two top positions, controller of BBC1 and BBC2, has made some fear for the organization's continued venturesomeness. The person who eventually got the BBC1 job, Alan Yentob, was also the person who axed "Eldorado."

John Rockwell

Mortier Under Siege in Salzburg

By John Rockwell
New York Times Service

SALZBURG — The later years of Herbert von Karajan's regime at the Salzburg Festival, in the 1980s, were often faulted for their glorification of the Maestro at the expense of nearly everything else. If Gérard Mortier's intentions as his successor were in part to diminish the Salzburg cult of personality, he has failed. Uppermost in nearly every conversation in Salzburg these days is Mortier himself.

The reason is the implacability of his many enemies and the feistiness of his responses. Austrian cultural politics in general are conceived in Machiavellian terms, the forces of good battling the forces of evil, "good" being one's own side of course. Reasonable compromise and a search for consensus seem foreign to the Austrian nature and, to judge from Mortier, the Belgian nature as well.

This year, Mortier complained in an interview, he had to spend much of his time in the four weeks before the festival opened on July 24 defending himself from sallies in the Viennese press. José Carreras, the Spanish tenor, responding to Mortier's caustic remarks about "show tenors," denounced him as "incompetent."

"Sooner or later," Carreras warned, "the Austrians will realize they made a mistake" in appointing Mortier in the first place.

Then there was a suit by a lawyer claiming he was owed a commission for acquiring private sponsors for the festival. Then Claudio Abbado announced an "Elektra" for the 1995 Salzburg Easter Festival, which is privately supported and administratively separate from the summer Salzburg Festival proper. This came only a few weeks after Mortier had announced his own "Elektra," to be conducted by Lorin Maazel, for the same year. Normally, the summer festival repeats new productions from the Easter Festival, but now, Mortier says, "collaboration with the Easter Festival will be very difficult."

The whole struggle has led Mortier into bouts of discouragement, and even to contemplation of retirement, which he is not shy to announce, possibly in the hope of arousing support. "It's a



Gérard Mortier: Talking back.

titanic struggle," he said. "My contract runs until 1997, but I'm not obliged to stay if I have to do too many compromises. When you read the Vienna newspapers, you think everything here is terrible and horrible. At least the politicians are supporting me; without them, I couldn't win."

Last summer's first Mortier festival was built on a modernist theme. This summer has a modernist subtheme, in a series of concerts devoted to music by György Ligeti, György Kurtág and Luigi Nono. But the main order of business in the new opera productions is a Verdi "Falstaff" picked up from the Easter Festival, a new Mozart "Così fan tutte" and "Lucio Silla" and an observance of the 350th anniversary of the death of Claudio Monteverdi, with "L'Orfeo" and "L'Incoronazione di Poppea."

Of these, the two Monteverdis and the "Così" could be seen during the opening weeks

of the festival, which lasts until Aug. 30. Both "L'Orfeo" and "Poppea" were respectfully received by the press, even if the first "Orfeo" in the courtyard of the Residenz palace was forced into the Mozartium concert hall by rain.

As a snub to Karajan loyalists, Nikolaus Harnoncourt, the early-music specialist and Karajan polar opposite, led "Poppea" in the Grosses Festspielhaus, the festival's Karajan-constructed shrine. Harnoncourt is the new de facto chief conductor at Salzburg; he is to oversee two Beethoven symphony cycles next summer with the Chamber Orchestra of Europe, and the Vienna Philharmonic is outraged.

IT was the "Così" that best illustrated Mortier's continuing battles with large portions of the press. The production had a troubled history. Luc Bondy and Karl-Ernst Herrmann withdrew as director and designer last year, figuring they had nothing new to say about the score. Mortier found a promising young Belgian, Guy Joosten, to direct, with sets by Erwin Pipilits, who runs his own vanguard theater in Vienna. Three weeks before the premiere, Joosten pulled out, pleading personal problems. Rumors flew about clashes between Joosten and his cast and conductor, Christoph von Dohnányi. Mortier swore Joosten was simply exhausted.

The papers had a field day. The Salzburger Nachrichten, which has often supported Mortier innovations, fulminated about the " flop," which it found "more depressing even than expected." Not only was the production misconceived and unformed, but the singing was only passable and Dohnányi's conducting had no grasp of the ebb and flow of the score.

After the blast of criticism, in a later performance Dohnányi, leading the Vienna Philharmonic, contributed a bracing account of the orchestral music, refined in texture yet full of muscular inner life. With conducting and playing like this, arguments over old and new, traditional and "authentic," conservative and progressive recede into the background. And that lesson may be the solution for Mortier's current travails, once polemics on both sides subside.

LONDON THEATER

A Sad, Despairing 'Time of My Life'

By Sheridan Morley
International Herald Tribune

LONDON — In the program notes to his "Time of My Life" (at the Vaudeville) Alan Ayckbourn rightly pays tribute to J. B. Priestley whose "Time" plays have clearly been his inspiration: curiously though, he doesn't mention an even more direct forerunner, Thornton Wilder's "The Long Christmas Dinner," nor yet A. R. Gurney's "The Dining Room." In those two plays, as here, one single dinner party occupies the entire evening, but it is a party which we leave to flash forwards and backwards in time so that one moment of apparent domestic happiness is seen in a much wider frame of general domestic doubt and despair.

The principal characters here will be familiar to all students of Ayckbourn's suburban classes in distress. There's the tired businessman (Anton Rodgers) whose boss hides the secret that his business is in a state of near-collapse, and there's the wife whose clenched smile hides a lifetime of hurt and hatred, and the children who as usual have failed to live up to even their own limited expectations.

There are three simultaneous time-steps, one more than was used in the play that gave Ayckbourn his first long West End run "How The Other Half Lives" almost 30 years ago. The central restaurant table gives us time present, the one stage left gives us time future and the one stage right time past. The same waltzes (magnificently delineated by one actor, Terence Booth) serve them all, frequently piling plates high with a selection of desserts under the misapprehension that a character is nodding in anticipation rather than suicidal despair.

Ayckbourn is immaculately served by Anton Rodgers and Richard Garnett and Stephen Mapes as their unsatisfactory offspring, with Karen Drury and Sophie Heyman as their girlfriends. But beneath the expert stage-management of Ayckbourn's own pro-

BOOKS

STREETS OF LAREDO
By Larry McMurtry, 389 pages.
\$23. Simon & Schuster.

Reviewed by Michiko Kakutani

IT has been eight years since Larry McMurtry published "Lonesome Dove," his masterly epic about the Old West; and for the surviving characters of that novel, even more time has passed. "Streets of Laredo," his sequel to "Lonesome Dove," takes place about 20 years after the death of Gus McCrae and nearly a light-year later in terms of the setting of the frontier. The Indian battles are pretty much over, and the railroads have brought settlers and the veneer of civilization to the Old West.

The Hat Creek cattle ranch in Montana — the quintessential venture that first sent Gus and his old partner Captain Woodrow Call on the trail drive chronicled in "Lonesome Dove" — has long since collapsed, and Captain Call has given up searching for more adventurous pursuits. Though he's pushing 70 now, Call is known as the best bounty hunter in the West.

Clara, Gus's longtime love, still lives in Nebraska, raising horses. And Lorena, the whore who was in

love with Gus, has become a schoolteacher. She has married the cowboy Pea Eye, and the two have bought a farm in Texas.

The Panhandle is no longer the wild West once subdued by Rangers like Gus and Call, and already a kind of wistfulness for the old days has begun to afflict those who can still remember. "The cowboys could no longer play and posture all they wanted to," writes McMurtry. "The fact was, they were herdsmen, not gunfighters, and it would be colossal bad luck if their herding ever brought them into contact with a real killer, of the sort that had once been common in the West."

A couple of these deadly men, however, still roam the wilds of Texas, and Captain Call is retained by a railroad magnate to subdue the train robber and bandit, Joey Garza. As he sets out in pursuit of Garza, Captain Call gradually assembles a motley crew to act as his posse. And his posse is soon changed with bringing another kill to justice, namely Mox Mox. All in all, it's a job the posse seems ill-equipped to do.

Horribly, the tension between duty and domesticity, between the harsh code of the frontier and the softer laws of civilization, is a recurrent

theme in this novel, and ultimately, it is civilization — with all its comforts, banalities and nurturance — that triumphs here.

Which is perhaps why Lorena — the frightened, lovelorn whore in "Lonesome Dove" who has matured now into a fiercely capable schoolteacher and loving wife and mother — is the hero of this novel, not Captain Call, who discovers that courage, endurance and guts, all the old virtues of the frontier he

had cherished, no longer stand him in good stead.

Captain Call's old partner, Gus, was the romantic in "Lonesome Dove," and his absence in this novel somehow symbolizes for McMurtry how the West has changed in two brief decades.

"Streets of Laredo" feels considerably more lightweight than "Lonesome Dove." The heroic, visionary quality of the trail drive in that book has no equivalent here;

Like many of McMurtry's recent books, "Streets of Laredo" is suffused in melancholy: melancholy for lost chances, lost youth, lost loved ones.

In deciding to create a sequel to "Lonesome Dove," McMurtry has written a sad, funny elegy not only for his characters' pasts, but for the waning of the American West.

Michiko Kakutani is on the staff of The New York Times.

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BEST SELLERS

- The New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.
- | Rank | Title | Author | Category |
|------|-------------------------------|--------------------------------------|------------|
| 1 | THE BRIDGES OF MADISON COUNTY | Robert James Waller | FICTION |
| 2 | THE CLIENT | By John Grisham | FICTION |
| 3 | THE NIGHT MANAGER | By John Le Carré | FICTION |
| 4 | LIKE WATER FOR CHOCOLATE | By Laura Esquivel | FICTION |
| 5 | HONOR AMONG THIEVES | By Jeffrey Archer | FICTION |
| 6 | PLEADING GUILTY | By Scott Turow | FICTION |
| 7 | PIGS IN HEAVEN | By Barbara Kingsolver | FICTION |
| 8 | CRUEL & UNUSUAL | By Patricia D. Cornwell | NONFICTION |
| 9 | AFTER ALL THESE YEARS | By Susan Isaacs | NONFICTION |
| 10 | SAVING GRACE | By Julie Garwood | FICTION |
| 11 | THE SCORPIO ILLUSION | By Michael Chabon | FICTION |
| 12 | HILLTOWNS | By Anne Rice | FICTION |
| 13 | A CASE OF NEED | By Michael Chabon | FICTION |
| 14 | STREETS OF LAREDO | By Larry McMurtry | FICTION |
| 15 | I'LL BE SEEING YOU | By Mary Higgins Clark | FICTION |
| 16 | THE WAY THINGS OUGHT TO BE | By Ruth H. Limbaugh Jr. | NONFICTION |
| 17 | REENGINEERING THE CORPORATION | By Michael Hammer and James Champy | NONFICTION |
| 18 | EMBRACED BY THE LIGHT | By Betty J. Eadie with Curtis Taylor | NONFICTION |
| 19 | THE SOUL OF CARE | By Thomas Moore | NONFICTION |
| 20 | MAMA MAKES UP HER MIND | By Sally White | NONFICTION |
| 21 | GIRL INTERRUPTED | By Susanna Kayser | NONFICTION |
| 22 | HEALING MIND | By Bill Mowers | NONFICTION |
| 23 | 3 DAYS OF GRACE | By Arthur Asa and Arnold Rampersad | NONFICTION |
| 24 | THE WAY THINGS OUGHT TO BE | By Ruth H. Limbaugh Jr. | NONFICTION |
| 25 | LISTENING TO PROZAC | By Peter D. Kramer | NONFICTION |
| 26 | REENGINEERING THE CORPORATION | By Michael Hammer and James Champy | NONFICTION |
| 27 | EMBRACED BY THE LIGHT | By Betty J. Eadie with Curtis Taylor | NONFICTION |
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| 30 | GIRL INTERRUPTED | By Susanna Kayser | NONFICTION |
| 31 | HEALING MIND | By Bill Mowers | NONFICTION |
| 32 | A WORLD WAITING TO BE BORN | By Scott Turow | FICTION |
| 33 | SECRET CEREMONIES | By Deborah Lasker | FICTION |
| 34 | RACE MATTERS | By Cornel West | NONFICTION |
| 35 | THINKING OUT LOUD | By Anna Quindlen | NONFICTION |

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Herald Tribune

NYSE

Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE Ratio High Low Last Change

12 Month High	Low	Stock	Div	Yld	PE Ratio	High	Low	Last	Change
100.00	95.00	IBM	3.00	3.00	15.00	100.00	95.00	98.00	+3.00
150.00	140.00	Microsoft	0.00	0.00	15.00	150.00	140.00	145.00	+5.00
200.00	180.00	Oracle	0.00	0.00	15.00	200.00	180.00	190.00	+10.00
300.00	280.00	Sun	0.00	0.00	15.00	300.00	280.00	290.00	+10.00
400.00	380.00	HP	0.00	0.00	15.00	400.00	380.00	390.00	+10.00
500.00	480.00	Intel	0.00	0.00	15.00	500.00	480.00	490.00	+10.00
600.00	580.00	Motorola	0.00	0.00	15.00	600.00	580.00	590.00	+10.00
700.00	680.00	Rockwell	0.00	0.00	15.00	700.00	680.00	690.00	+10.00
800.00	780.00	Boeing	0.00	0.00	15.00	800.00	780.00	790.00	+10.00
900.00	880.00	Lockheed	0.00	0.00	15.00	900.00	880.00	890.00	+10.00
1000.00	980.00	Northrop	0.00	0.00	15.00	1000.00	980.00	990.00	+10.00

12 Month High	Low	Stock	Div	Yld	PE Ratio	High	Low	Last	Change
10.00	9.50	IBM	3.00	3.00	15.00	10.00	9.50	9.80	+0.30
15.00	14.00	Microsoft	0.00	0.00	15.00	15.00	14.00	14.50	+0.50
20.00	18.00	Oracle	0.00	0.00	15.00	20.00	18.00	19.00	+1.00
30.00	28.00	Sun	0.00	0.00	15.00	30.00	28.00	29.00	+1.00
40.00	38.00	HP	0.00	0.00	15.00	40.00	38.00	39.00	+1.00
50.00	48.00	Intel	0.00	0.00	15.00	50.00	48.00	49.00	+1.00
60.00	58.00	Motorola	0.00	0.00	15.00	60.00	58.00	59.00	+1.00
70.00	68.00	Rockwell	0.00	0.00	15.00	70.00	68.00	69.00	+1.00
80.00	78.00	Boeing	0.00	0.00	15.00	80.00	78.00	79.00	+1.00
90.00	88.00	Lockheed	0.00	0.00	15.00	90.00	88.00	89.00	+1.00
100.00	98.00	Northrop	0.00	0.00	15.00	100.00	98.00	99.00	+1.00

12 Month High	Low	Stock	Div	Yld	PE Ratio	High	Low	Last	Change
10.00	9.50	IBM	3.00	3.00	15.00	10.00	9.50	9.80	+0.30
15.00	14.00	Microsoft	0.00	0.00	15.00	15.00	14.00	14.50	+0.50
20.00	18.00	Oracle	0.00	0.00	15.00	20.00	18.00	19.00	+1.00
30.00	28.00	Sun	0.00	0.00	15.00	30.00	28.00	29.00	+1.00
40.00	38.00	HP	0.00	0.00	15.00	40.00	38.00	39.00	+1.00
50.00	48.00	Intel	0.00	0.00	15.00	50.00	48.00	49.00	+1.00
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15.00	14.00	Microsoft	0.00	0.00	15.00	15.00	14.00	14.50	+0.50
20.00	18.00	Oracle	0.00	0.00	15.00	20.00	18.00	19.00	+1.00
30.00	28.00	Sun	0.00	0.00	15.00	30.00	28.00	29.00	+1.00
40.00	38.00	HP	0.00	0.00	15.00	40.00	38.00	39.00	+1.00
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15.00	14.00	Microsoft	0.00	0.00	15.00	15.00	14.00	14.50	+0.50
20.00	18.00	Oracle	0.00	0.00	15.00	20.00	18.00	19.00	+1.00
30.00	28.00	Sun	0.00	0.00	15.00	30.00	28.00	29.00	+1.00
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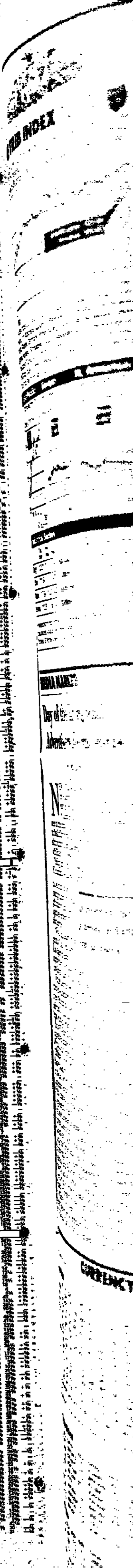
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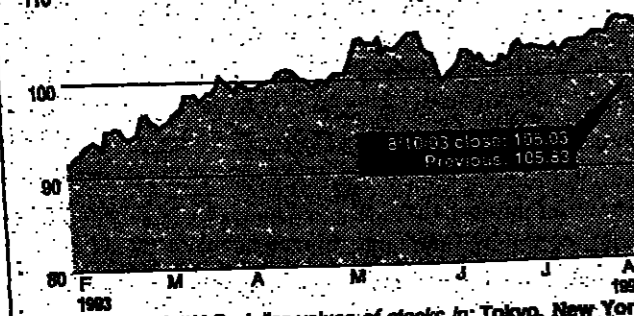
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15.00	14.00	Microsoft	0.00	0.00	15.00	15.00	14.00	14.50	+0.50
20.00	18.00	Oracle	0.00	0.00	15.00	20.00	18.00	19.00	+1.00
30.00	28.00	Sun	0.00	0.00	15.00	30.00	28.00	29.00	+1.00
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100.00	98.00	Northrop	0.00	0.00	15.00	100.00	98.00	99.00	+1.00



THE TRIB INDEX: 105.03

International Herald Tribune World Stock Index composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



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Region	Index	Change
Asia/Pacific	127.93	+0.27
Europe	98.73	+0.59
N. America	91.71	+0.07

Industry	Index	Change
Energy	103.21	+0.48
Utilities	111.84	+0.26
Finance	117.94	+0.85
Services	118.25	+0.54
Capital Goods	101.80	+0.58
Raw Materials	103.05	+0.38
Consumer Goods	84.31	+1.22
Miscellaneous	104.82	+0.13

Efficiency Tumbles In U.S.

Productivity Fall Is 2d This Year

WASHINGTON — The productivity of U.S. workers took its biggest tumble in four years during the second quarter, as hours worked by employees rose faster than company output, the Labor Department said Tuesday.

Productivity measures how much a U.S. worker is producing by the hour, and acts as a gauge of corporate efficiency. It fell 2.5 percent in the nonfarm business sector of the economy during April through June.

The decrease was the largest quarterly fall since a 3.9 percent drop during the first three months of 1989, and marked productivity's second straight decline. It fell 1.6 percent in the first quarter.

"Whenever hours grow faster than output, productivity goes down," said Robert Dink, an analyst for Northern Trust in Chicago. But the eclipse of hours over output puzzled economists.

Martin Leskowitz, an analyst for the U.S. Chamber of Commerce in Washington, said companies might have hired too many unseasoned people in the second quarter. "They're new and therefore not that productive," he said.

The U.S. economy posted some of the biggest gains in productivity in two decades last year, as companies gradually increased output with fewer workers.

The latest decline in productivity, the largest decrease since the first quarter of 1989, suggests these remaining weeks could be turning out of steam, said Carl Palish, an economist at MCM/MoneyWatch.

Separately, a study published Tuesday by the Blue Chip Economic Indicators newsletter said that the U.S. economy would grow by 2.5 percent in 1993. "Now 28 months old, the current economic recovery is the slowest in post-World War II history," said Robert Seggart, the newsletter's editor.

The latest report reduces the estimate of economic growth by 0.1 percentage point compared with the July forecast.

(UPI, AFP, Bloomberg)

A Leaner BNP Is the Goal

New Chief Aims to Cut Costs, Save Jobs

By Jacques Neher
Special to the Herald Tribune

PARIS — Three months after moving into the Art Deco executive suite at Banque Nationale de Paris, Michel Pébereau has decided to put the corpulent financial giant on a strict diet.

Mr. Pébereau, who has been racing against the clock to prepare Europe's fourth-largest bank for privatization Tuesday, wants to cut out unprofitable operations, make employees more accountable for their performance and shrink overhead costs wherever possible, short of layoffs.

At the same time, industry sources say, the 51-year-old chairman is counting on a new alliance with Dresdner Bank of Germany to act as a springboard for international development, as he aims to give BNP the role of the top five banks in the world for corporate financial services by the end of the decade.

Dresdner Bank on Tuesday reported a 14 percent rise in first-half operating profit and predicted a "satisfactory" full-year results. (Page 13)

Though that alliance has yet to take form, the industry sources said the two sides had begun studying how they might merge their international activities in areas such as capital markets, corporate finance, mergers and acquisitions, and securities. The banks also could develop a joint

European retail-banking network, pending further movement toward monetary union.

Mr. Pébereau is expected to reveal his strategy next month as a prelude to BNP's privatization.

because of a continuing problem of defaults on business loans. Keith Brown, banking analyst with Morgan Stanley in London, predicted that BNP's 1993 earnings would plummet 48 percent, to 1.13 billion francs, before rebounding to 2.26 billion francs in 1994.

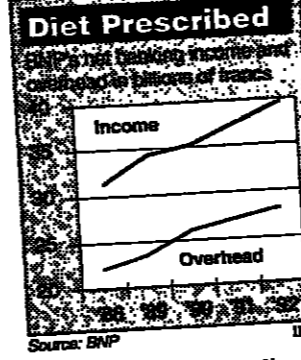
Mr. Pébereau, who led the privatization of Crédit Commercial de France in 1986 and went on to almost triple that bank's profit to nearly 1 billion francs over the following six years, was chosen by the government in May to help bring BNP to market. He succeeded René Thomas, who had been chairman of BNP since 1982 and was due to retire in 1994.

Analysts speak positively about the new management, though some say there may not be much in Mr. Pébereau's experience that would be directly applicable to BNP's case. At Crédit Commercial, he built profit by focusing on regional retail banking in France and investment banking in Europe and by rigorously limiting lending risks.

Mr. Pébereau "has an excellent image in France after what he did for CCF," but BNP is a more complicated matter, said one Paris banking analyst who asked not to be identified.

BNP, which has more than four times the assets of Crédit Commercial, employs 43,000 people in France and 13,000 people in 77 other countries. It has 4.5 million individual clients and more than 500,000 corporate

See BNP, Page 13



Ferruzzi Unveils New Losses and Slashes Capital

Compiled by Our Staff From Dispatches

MILAN — The Ferruzzi Group, which is already at the center of a scandal over its massive debts and alleged involvement in Italy's corruption inquiries, disclosed Tuesday that its loss for the first five months of the year was more than twice as wide as had been previously reported and said it would cut its shareholders' equity by 85 percent.

Ferruzzi Finanziaria SpA, the holding company for Italy's second-largest private group, said it had a loss of 1,165 billion lire (\$737 million) between January and the end of May, Ferruzzi said. "Of that, 640 billion lire has been recently discovered in an inquiry conducted by Deloitte & Touche." The losses resulted from the company's grain-trading operations, Ferruzzi said.

In a further blow to its already tattered image, Ferruzzi also disclosed slashing the face value of its shares to 5 lire from 1,000 lire. Ferruzzi stock, which was suspended Tuesday pending the announcement, had been trading on the Milan bourse at less than half its nominal value.

The move will slash the company's shareholders' equity to 205 billion lire from 1,371 billion lire. Each 200 shares at the reduced value would be grouped into one new share.

Analysts said a write-down of the share value was a necessary step before any future move to raise fresh funds through a capital increase. Companies whose shares are trading below their nominal value are barred from raising funds on the bourse.

This is the second time Ferruzzi has had to open up to having lost more money than it said previously. In June, Montedison SpA, the group's main industrial company, discovered losses of 320 billion lire at a foreign subsidiary, forcing it and Ferruzzi to restate their losses for 1992.

The new losses were mainly found in a Luxembourg-based unit, Aifa Holding SA, comprising 246 billion lire from write-downs by Aifa's cereal trading unit, Alca SA, and 84 billion lire in unrecoverable credits. Another Aifa unit, Ferruzzi Trading International SA, had foreign-exchange losses of 165 billion lire and unrecoverable credits of 34 billion lire, Ferruzzi said.

Five Italian and two foreign banks are preparing a rescue package for Ferruzzi, which is sagging under the burden of 31 trillion lire of debts.

Ferruzzi was already the object of an investigation that has landed several former company executives, including Carlo Sama, its former vice chairman, in jail on suspicion of false accounting.

The new management has won temporary authority to seize up to 500 billion lire of assets from the Ferruzzi family and former company executives.

(Reuters, Bloomberg, AFX)

BA's Earnings Drop but Its Share Price Surges

Compiled by Our Staff From Dispatches

LONDON — British Airways shares surged 4.2 percent Tuesday in spite of news that the company's latest quarterly pretax profit had plunged 30 percent as expansion costs ate into higher revenues. Investors were cheered by a profit amid widespread losses in the airline industry.

Only the mark and the Dutch guilder retained the narrow limit on movements from their central rates against one another.

Currency dealers said a Bundesbank call for tenders on fixed-rate repurchase agreements at 6.80 percent was a clear sign the German central bank wanted money-market rates to remain above its discount rate of 6.75 percent for the time being.

Both of those rates are charged on loans to banks that post securities as collateral, but only a limited amount of funds is available at the discount rate, which is the effective floor rate of the German money market.

The Bundesbank's high-rate policy, largely an attempt to counter inflation that resulted from German unification, has drawn investors to short-term mark investments, to the detriment of the other EMS currencies. The narrow fluctuation bands of the ERM were meant to lock the European Community currencies tightly as a precursor to the monetary union envisaged under the Maastricht Treaty.

On Monday, Chancellor Helmut Kohl threw cold water on that plan, suggesting that the 1993 deadline for currency union could be abandoned.

See MARK, Page 12

Day of the Living Dead: Advertisers Recruit Icons

By Bruce Horowitz
Los Angeles Times Service

NEW YORK — Dead celebrities are coming back to life on Madison Avenue. Just when you thought you had seen the very last ad featuring a black-and-white photo of a deceased icon like Marilyn Monroe or James Dean of a deceased U.S. clothing chain, The Gap, is about to unleash a flurry of print ads in the United States that feature images of more than a dozen dead celebrities, from Monroe and Dean to Pablo Picasso and Sammy Davis Jr.

The Gap joins a long list of advertisers — from Converse shoes to Nikon cameras — that have linked their images to figures of the past. All of this has resulted in a booming business for specialist photographers and licensing agents who represent estates of dead celebrities.

"Why do dead celebrities sell products?" asked Phil Stern, a Los Angeles free-lance photographer whose photo of a dancing Sammy Davis Jr. is being used in a new Gap ad. "I guess it's some form of morbidity."

With late celebrities — who can't get arrested or further offend the public — advertisers at least know what they're getting for their money. The high risk and high cost of launching on to current celebrities like Madonna and Mike Tyson proved to be a bust for Pepsi, which was forced to dump both of them.

In its "Who Wears Khakis" campaign, the Gap is hoping that the larger-than-life images of some of America's most famous stars of the past can put some pizzazz into traditional khaki pants. Along with Sammy Davis Jr., there is a dashing Rock Hudson strutting his khakis at the seashore and even an Amelia Earhart decked out in a pair of khakis before a flight.

Gap executives did not return several phone calls seeking comment. But those who have sold celebrity photographs to the retailer said they were paid from \$10,000 to \$20,000 for the one-time use of the photos of the American legends. While that might sound like a lot of money, it costs many thousands — if not millions — of dollars less than linking up with a living legend, like a Michael Jackson, among other former stars: Ernest Hemingway, Norman Rockwell, Jack Kerouac and Humphrey Bogart. One of the few "living" legends whose face will appear in a Gap ad: Gene Kelly. Advertisers have shown particular interest in James Dean. Converse paid Mr. Stern an excess of \$50,000 for the use of a photo taken of Dean in 1955, wearing Converse's Jack Purcell sneakers. A few months after the ad appeared, the company reported that its sales of the Jack Purcell line had jumped 50 percent.

Europeans Make A Move to the Mark

Compiled by Our Staff From Dispatches

LONDON — The Deutsche mark benefited Tuesday from the weakening of the European Community's currency grid, as traders took the view that there was nothing to be gained by betting on its weaker competitors in the European Monetary System.

The French franc and the Irish punt were the most pressured EMS currencies on Tuesday — the franc because of France's tentative interest-rate reduction Monday, the punt on a lack of support by the Central Bank of Ireland.

Late in the day, the dollar began showing some strength in New York dealings. The focus on EMS developments had made it largely a spectator during the European trading session.

The mark rose to 3,5220 francs from 3,5050 francs Monday, when France nudged down to 9.75 percent from 10 percent.

The punt fell to 2,3363 DM from 2,3725 DM on Monday. Dealers said the currency would continue to fall until the central bank intervened to support it or at least said what level it sought for the punt.

The Bundesbank, on the other hand, seemed to dig in its heels, halting its gradual interest-rate cuts that had already proved too small to preserve the EMS's exchange-rate mechanism.

Last week, the currency grid was relaxed to allow most currencies to fluctuate in value against one another by as much as 15 percent, compared with 2.25 percent before.

Only the mark and the Dutch guilder retained the narrow limit on movements from their central rates against one another.

Currency dealers said a Bundesbank call for tenders on fixed-rate repurchase agreements at 6.80 percent was a clear sign the German central bank wanted money-market rates to remain above its discount rate of 6.75 percent for the time being.

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On Monday, Chancellor Helmut Kohl threw cold water on that plan, suggesting that the 1993 deadline for currency union could be abandoned.

See MARK, Page 12

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CURRENCY & INTEREST RATES

Cross Rates	Aug. 10	Aug. 9
American	1.02 1245	1.02 1230
British	1.63 5425	1.63 5410
Frank	1.36 1200	1.36 1185
Italian	1.36 1200	1.36 1185
Japanese	1.02 1245	1.02 1230
Swiss	1.48 5100	1.48 5085
Yen	1.02 1245	1.02 1230

Key Money Rates	Aug. 10	Aug. 9
3-month T-bill	5.75	5.75
6-month T-bill	5.75	5.75
1-year T-bill	5.75	5.75
3-month Euro	6.00	6.00
6-month Euro	6.00	6.00
1-year Euro	6.00	6.00

Other Dollar Values	Aug. 10	Aug. 9
Canada	0.75	0.75
France	6.55	6.55
Germany	1.63	1.63
Italy	1.36	1.36
Japan	1.02	1.02
Spain	166.67	166.67
UK	1.63	1.63

Page 12 MARKET DIARY

Profit-Taking Pulls Stocks Down a Peg

Bloomberg Business News NEW YORK — Stock prices ended lower Tuesday on the New York Stock Exchange amid profit-taking after Monday's record. Procter & Gamble's lower-than-expected earnings soured some investors.

The decline in stocks was limited by continued optimism about the slide in long-term interest rates. "The Procter & Gamble results definitely spooked the market," said Richard Ciardullo, head trader at Eagle Asset Management Inc., which oversees about \$6 billion.

The Dow Jones industrial average, which had risen 15.65 points to a record 3,576.08 on Monday, fell 3.55 points to 3,572.73.

Procter & Gamble said fourth-quarter earnings climbed 1 percent to \$341 million, or 47 cents a share, before a restructuring charge. The stock fell 1/4 to 46 1/4.

MARK: French Franc Is Pressured

Continued from Page 11 The central bank is timid about cutting rates, the currency will weaken on pessimism about the French economy, the dealer added.

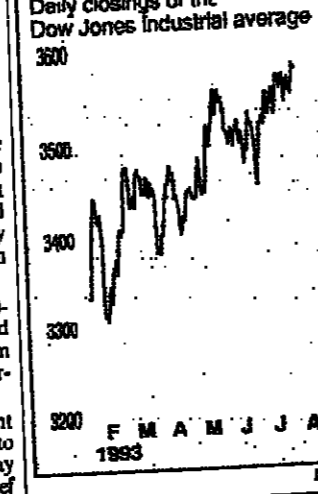
The dollar surged against European currencies in New York trading Tuesday after drifting in a narrow range in the London session.

The currency closed in New York at 1.1713 DM, up 1.1 percent from 1.6980 DM on Monday. It also advanced to 1.5270 Swiss francs from 1.5035 francs and to 6.0370 French francs from 5.9570 francs.

Sterling slipped 1.6 percent against the dollar, to \$1.4670 from \$1.4905.

The franc is in a "lose-lose" position, one Paris dealer said. If the Bank of France cuts rates rapidly, the franc will fall because of rate differentials. If, on the other hand,

The Dow



Daily closings of the Dow Jones Industrial average 1989

Dow Jones Averages

Table with columns: Open, High, Low, Close, Change. Rows: Index, Industrials, Utilities, Finance, Energy, Chemicals, Metals, Transportation, Real Estate, Commodities, Total.

Standard & Poor's Indexes

Table with columns: High, Low, Close, Change. Rows: Industrials, Financials, Chemicals, Energy, Metals, Transportation, Real Estate, Commodities, Total.

NYSE Indexes

Table with columns: High, Low, Close, Change. Rows: Composite, Industrials, Financials, Chemicals, Energy, Metals, Transportation, Real Estate, Commodities, Total.

NASDAQ Indexes

Table with columns: High, Low, Close, Change. Rows: Composite, Industrials, Financials, Chemicals, Energy, Metals, Transportation, Real Estate, Commodities, Total.

AMEX Stock Index

Table with columns: High, Low, Close, Change. Rows: Composite, Industrials, Financials, Chemicals, Energy, Metals, Transportation, Real Estate, Commodities, Total.

Dow Jones Bond Averages

Table with columns: High, Low, Close, Change. Rows: 30 Bonds, 100 Bonds, 1000 Bonds, Total.

Market Sales

Table with columns: NYSE, AMEX, NASDAQ, Total. Rows: Volume, Value.

NYSE Most Active

Table with columns: Vol, High, Low, Last, Chg. Rows: American Express, IBM, Microsoft, etc.

AMEX Most Active

Table with columns: Vol, High, Low, Last, Chg. Rows: American Express, IBM, Microsoft, etc.

NASDAQ Most Active

Table with columns: Vol, High, Low, Last, Chg. Rows: American Express, IBM, Microsoft, etc.

NYSE Diary

Table with columns: Adv, Decl, Unch, Total. Rows: Issues, Volume, Value.

AMEX Diary

Table with columns: Adv, Decl, Unch, Total. Rows: Issues, Volume, Value.

NASDAQ Diary

Table with columns: Adv, Decl, Unch, Total. Rows: Issues, Volume, Value.

EUROPEAN FUTURES

Table with columns: Close, High, Low, Prev. Close. Rows: Food, Grains, Metals, etc.

Table with columns: High, Low, Close, Change. Rows: COCOA (LCE), SOYBEAN MEAL (CFT), etc.

Table with columns: High, Low, Close, Change. Rows: COFFEE (LCE), WHEAT (CBT), etc.

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U.S. / AT THE CLOSE

American Airlines Wins Suit

GALVESTON, Texas (AP) — A U.S. court jury found Tuesday that American Airlines did not intentionally damage Continental and Northwest airlines last summer with slashed fares.

The jury deliberated less than two hours. Since awards can be tripled in antitrust cases, American faced \$3 billion in penalties.

American introduced value pricing in April 1992. It shunned special offers and gimmicks and precipitated a vicious fare war.

P&G Loss Is Laid to Restructuring

CINCINNATI (UPI) — Procter & Gamble Co., citing restructuring costs and accounting changes, reported Tuesday a \$1.2 billion loss for its fourth quarter, ended June 30, compared with a profit of \$339 million in the same period a year ago.

Sales rose 2 percent to \$7.35 billion for the latest quarter, from \$7.16 billion a year earlier.

During the 1993 financial fourth quarter, P&G established a \$15 billion after-tax reserve for plant consolidations and other organizational restructuring, and also retroactively adopted two mandatory accounting standards related to retiree medical benefits and deferred taxes, reducing net earnings by \$1 billion.

Disposals Lead to Shortfall at Tandy

FORT WORTH, Texas (AP) — Tandy Corp., the largest U.S. electronics retailer, said Tuesday it had a loss of \$77.3 million in the second quarter, including \$109 million in the same period a year ago. Revenue was \$843 million, up 5 percent from \$802 million a year ago.

The results included \$39 million in operating losses on discontinued operations and a \$70 million loss on their disposal.

Wal-Mart Up and The Limited Down

NEW YORK (UPI) — Wal-Mart Stores Inc., the largest U.S. retailer, reported Tuesday that its second-quarter net income had jumped 18 percent, but the specialty retailer The Limited Inc. said its latest income declined 13 percent.

Wal-Mart reported second-quarter net income of \$495.8 million, from \$420.4 million in the same period a year earlier.

The Limited said its second-quarter net income declined to \$68.2 million, from \$80.1 million in the same period last year. However, sales rose 13 percent to \$1.69 billion.

Saturn Recall Targets Fire Hazard

DETROIT (Bloomberg) — The Saturn division of General Motors Corp. has begun a voluntary recall of all 352,767 cars built before April to prevent possible fires under the hood, the division said Tuesday.

Saturn said it would replace free a generator-wiring harness that could overheat and cause surrounding materials to ignite.

FDIC Fund Exhibits Healthy Gain

WASHINGTON (AP) — Record U.S. bank profits have allowed the fund that insures deposits to build up to \$6.8 billion and repay the last of money borrowed from taxpayers.

The fund's balance, up from \$1.2 billion three months ago and a \$101 million deficit six months ago, is the best in three years, the Federal Deposit Insurance Corp. said Tuesday. Eighteen months ago the fund was \$7 billion in the red.

For the Record

Lee Iacocca, the former Chrysler Corp. chairman, plans to sell half his stock in the automaker and stands to make more than \$50 million. He gave no reason.

Lockheed Corp. said it had received a contract worth more than \$700 million to build 125 satellites for Motorola Corp.'s Iridium communications system.

(Bloomberg)

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(UPI)

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GERMANY: Rexrodt Sees 1993 Rebound but Economists Are Doubtful

Continued from Page 1 indicators, surveys that gauge the outlook of businessmen in Western Germany. Surveys by Munich's Ifo Institute and other economic research groups showed increased optimism in the second quarter of this year. But economists describe it as a return to normality after a dismal first quarter.

Rising foreign demand for German goods was the other main impulse for growth in Mr. Rexrodt's forecast. But the most recent statistics available show new orders from abroad for German manufactured goods fell 1 percent in June from May.

In a two-month comparison, which smooths out statistical distortions, foreign orders were down 3.5 percent in May and June from a year earlier.

Inflation in Western Germany should slow by the end of the year from its current level of 4.3 percent and would probably drop below 4 percent in 1994. But unemployment would swell to around four million persons by the end of the year because industry in Western Germany continues to lay off workers in a bid to cut costs and improve its competitiveness.

WORLD STOCK MARKETS

Large table showing world stock markets with columns for market name, index, and change. Includes sections for Amsterdam, Brussels, Frankfurt, London, Milan, Madrid, Sao Paulo, Singapore, Stockholm, Tokyo, Zurich, and various regional indices.

U.S. FUTURES

Table showing U.S. futures markets with columns for contract name, price, and change. Includes sections for Grains, Metals, Livestock, and Financial.

STOCK INDEXES

Table showing various stock indices with columns for index name, value, and change. Includes sections for S&P 500, NYSE, NASDAQ, and international indices.

Dresdner Is Upbeat About '93 Profit

Compiled by Our Staff From Dispatches
LEIPZIG — Dresdner Bank AG reported Tuesday a 14 percent rise in operating profit in the first half and projected "satisfactory" results for the full year.

Dresdner said that group operating profit for the first six months of the year climbed 13.9 percent, to 936.1 million Deutsche marks (\$550.6 million), from 822.1 million DM a year earlier.

Profit on financial operations surged 171 percent to 381.9 million DM, especially as a result of "soaring demand for mark-dominated domestic and Eurobonds," the bank said. This helped lift earnings in Dresdner's securities-trading operations, the company said.

Jürgen Sarrazin, the bank's chairman, said at a news conference that profit for the full year would be above year-earlier levels, and added he hoped profit growth would be in the double digits.

"We've seen very pleasing signals," said Mr. Sarrazin. Although the bank's credit business is likely to grow modestly this year, income from provisions and own-account trading will continue to boost earnings, he said.

He refused to give a dividend forecast, but said "we will remain shareholder-friendly."

The banking group also said provisions rose 25.2 percent to 758.2 million DM. Mr. Sarrazin said 91 percent of the loan-loss provision the bank took in the first half was attributable to domestic business.

He said taking provisions for risk was "nothing new," adding "it's always been calculated realistically on a month-by-month basis."

(Bloomberg, AFP)

Virgin Says Maybe, But Not This Sunday

Agence France-Press
PARIS — Virgin Megastore, which has been flouting a French law that mandates Sunday closure, announced Tuesday that it would not open its flagship Champs-Élysées store on Sunday.

The store said the action would allow authorities time to consider Virgin's appeal against the ban. The National Assembly will debate the 1906 law when it reconvenes.

Virgin defied the French authorities in July after permission to open on Sundays on a trial basis was withdrawn.

The store was taken to court by two of France's leading unions, and a fine of 1 million francs (\$168,000) was levied if the practice continued. This figure is roughly equal to the store's income on a Sunday. With Paris almost empty in August, some believe Virgin's decision was taken on commercial grounds.

The store, on a prime tourist site, offers books, tapes and records. Virgin also has three shops outside of Paris.

Virgin's chief executive, Richard Branson, has warned that he will freeze plans to open another 26 stores if he loses the battle over Sundays. About 5.5 million people work on Sundays in France in transportation, hospitals, factories, bakeries and restaurants.

PepsiCo Announces \$500 Million Plan To Invest in Poland

Compiled by Our Staff From Dispatches
WARSAW — PepsiCo Inc. said Tuesday it planned to invest \$500 million in its snack, beverage and restaurant businesses in Poland by 1998.

PepsiCo said the spending program would make it the largest foreign investor in consumer products in Poland. Its rival Coca-Cola Co. outlined plans in June to invest \$300 million.

Wayne Calloway, PepsiCo's chairman and chief executive officer, said the investments would create 9,000 jobs in new plants, warehouses and restaurants and in distribution and marketing operations. PepsiCo now employs about 3,000 people in Poland, a spokeswoman, Elaine Franklin, said.

Mr. Calloway announced the investment plan while opening a 1,800 square meter restaurant in Warsaw offering fare from the company's three fast-food operations: Pizza Hut, Taco Bell and Kentucky Fried Chicken.

He said a bottling plant and a factory for potato chips and salty snack foods would be opened soon in Grodzisk Mazowiecki.

"It seems like a lot of money for an Eastern bloc nation," Barry Ziegler, an analyst at A.G. Edwards & Sons Inc., said of the investment plan. "But in that region, Poland has the best potential to develop a market for U.S. goods. I'm sure Pepsi feels they have a unique opportunity here."

Poland's largest foreign investor is Fiat SpA. The Italian carmaker has invested \$180 million and plans to put as much as \$2 billion into the country.

PepsiCo has been active in Poland since it opened a franchised bottling plant in Krakow in 1972. In 1991, the company paid \$25 million for a 40 percent share of Poland's leading chocolate manufacturer, E. Wedel SA.

PepsiCo said it planned to increase that stake to 70 percent by 1994 and to use its investment in Wedel to raise the quality of its products and expand production.

The company said it expected its annual sales in Poland to exceed \$600 million by 2000.

(AP, Reuters, Bloomberg)

Investor's Europe

Exchange	Index	Tuesday Close	Monday Close	Change
Frankfurt DAX	1993	124.80	123.90	+0.90
London FTSE 100 Index	1993	2,992.10	2,974.30	+17.80
Paris CAC 40	1993	1,865.16	1,872.30	-7.14
Amsterdam CBO Trend	1993	1,865.16	1,872.30	-7.14
Brussels Stock Index	1993	1,865.16	1,872.30	-7.14
Frankfurt DAX	1993	1,865.16	1,872.30	-7.14
Frankfurt FAZ	1993	1,865.16	1,872.30	-7.14
Helsinki HEX	1993	1,865.16	1,872.30	-7.14
London FTSE 100	1993	1,865.16	1,872.30	-7.14
Madrid General Index	1993	1,865.16	1,872.30	-7.14
Milan MIB	1993	1,865.16	1,872.30	-7.14
Paris OAC 40	1993	1,865.16	1,872.30	-7.14
Stockholm ARS Investability	1993	1,865.16	1,872.30	-7.14
Vietnam Stock Index	1993	1,865.16	1,872.30	-7.14
Zurich SSS	1993	1,865.16	1,872.30	-7.14

Sources: Reuters, AFP

Veba Net Fell in First Half

AFP-Extel News
DUSSELDORF — Veba AG, the German energy and chemicals company, said its net profit had fallen in the first half to 316 million Deutsche marks (\$186 million), down 13.2 percent from a year ago.

The company said the decline was in line with a trend already under way in the first quarter of 1993, when net profit had fallen 13 percent.

Sales in the first half were little

German Unions Say Never

Reuters
BONN — German unions and some management groups are joining in opposition to a change in the law that would allow shops to remain open in the evenings and for most of the weekend.

"We have absolutely no problems with the current shop-closing laws," said Holger Wenzel, secretary of the Union of German Retailers. The deputy chairman of the German Union of Employees, Hubert Gartz, said longer shop hours would not create more jobs, but merely place a burden on workers.

The lack of open shops has frustrated tourists, and Peter Hintze, general secretary of Chancellor Helmut Kohl's Christian Democrats, said the law belonged "in the junk room of out-of-date rules."

Germany has shorter working hours and more paid holidays than any other state in the European Community. Shops in Germany are always closed on Sundays, and on three out of four Saturdays they close at 2 P.M.

Legal Hurdles Delay Linkup Of GPA to GE

Reuters
DUBLIN — Legal complexities have delayed the final signing of a deal between General Electric Co. of the United States and GPA Group PLC, the debt-stricken Irish aircraft-leasing firm. Maurice Foley, GPA's deputy chairman, said Tuesday.

"The documentation is incredibly detailed," he said. "It has taken longer than anyone thought it would. It is not in difficulty, it takes time."

He added that General Electric and other parties are continuing to work cooperatively and GPA continues to meet all its obligations. He said that GPA even had "some better cash flow than anticipated" when the transaction was announced.

General Electric Capital Corp. agreed in May to buy 45 aircraft from GPA for \$1.35 billion, gaining the right to buy 65 to 80 percent of GPA shares over four years.

Very briefly:

- Fokker NV reported a first-half net loss of 127 million guilders (\$66 million), after a 26.3 million guildler net profit a year earlier.
 - Lloyd's of London said it had support of members to break with tradition and allow outside corporate investment, starting next year.
 - Saatchi & Saatchi PLC said its pretax profit quadrupled in the first half ended June 30, to £9.1 million (\$14 million) as a result of a one-time gain after the company took a one-time charge in the previous year.
 - SE Banken of Sweden said it had sold part of its 5.4 percent stake in the insurance concern Forskrings AB Skandia.
 - The EC Commission said it had cleared the purchase by Germany's Commerzbank AG of the French financial-services company Caisse Centrale de Roesocompte.
 - Ceska Pojistovna, a Czech insurance company, paid shareholders in the nation's first voucher-share fund 15,000 koruna (\$503) for the 20 shares they bought last year for 1,000 koruna.
 - Sweden's industrial production rose 1.7 percent in May on a seasonally adjusted basis, compared with a 0.9 percent increase in April; when adjusted for May 1992, industrial production was up 0.3 percent.
- Knights-Ridder, Reuters, AP, Bloomberg, AFP

BNP: New Chief Aims to Slim Company Before Its Privatization but Avoid 'Brutal' Layoffs

Continued from Page 11
 customers, including almost all of France's largest companies.

The bank is active in life insurance, leasing and factoring, securities, real-estate development, investment banking and asset management, and it owns around 16 billion francs' worth of stock in major French companies — including 20 percent of Union des Assurances de Paris, the insurance company likely to be privatized next year.

According to industry sources familiar with Mr. Pébereau's thinking, he aims to concentrate resources on strengthening both domestic retail and international wholesale banking operations. His strategy means that BNP can

no longer be all things to all people. He plans to reorganize the bank's 1,900-branch network — especially in unprofitable rural areas — along "market segment" lines. Each branch would be analyzed in terms of its clients' needs and then specialized to meet those needs. A branch might be required to abandon some services that could be offered more profitably by other branches.

The executive also says he will try "to make capitalists" out of the bank's employees, who will be served a portion of BNP's shares in the privatization. Mr. Pébereau says he believes the staffers are not really aware of how their personal performances relate to the bottom

line. To transform this goal into action, Mr. Pébereau plans to implement an accounting system in 1994 that will make profit centers out of numerous business activities that have been part of larger operations.

But BNP has one of the highest ratios of costs to income among major banks in Europe, and analysts say it will not be easy to bring that ratio down.

"BNP has done a lot of work over the last two years to bring down costs, but the second layer of fat is always the hardest to get rid of," said Robert Grant, banking analyst with UBS Ltd. in London. That second layer is made up of thousands of employees who he says are not needed but whose dismissals could be "political dynamite."

Sources say Mr. Pébereau plans to avoid "brutal" layoffs and instead will seek to reduce the payroll through an early-retirement program, being launched this year, and attrition. He also plans to squeeze other costs by pressuring outside suppliers to do more for less.

Looking ahead, Mr. Pébereau expects to work with Dresdner Bank to develop a joint global wholesale-banking presence. BNP and Dresdner, the second-largest German bank, signed a cooperation agreement this spring after several years of discussion, and the accord is awaiting a green light from the EC Commission. As part of the deal, Dresdner is to take 10 percent of BNP's stock during its privatization, while BNP acquires 10 percent of Dresdner.

A task force has been working on ways the French and German banks might work together, and its conclusions are due by mid-1994. The accord calls for the two banks to stay out of each other's national markets and to join forces in third countries.

Analysts say Dresdner could help pave the way for BNP in Eastern Europe, while BNP could provide similar inroads for Dresdner in Asia.

But bringing the international operations of the two banks together will be a difficult and lengthy process, analysts say.

Banesto Rights Are Taken Up

Compiled by Our Staff From Dispatches
MADRID — Banco Español de Crédito-Banesto SA said Tuesday that both tranches of its 1-for-3 rights issue had been 100 percent taken up.

The offer, officially open until Friday, has raised 94.9 billion pesetas (\$677.7 million). Banesto Chairman Mario Conde said. The offering gave shareholders the right to buy one share for every three shares owned.

The offering is part of Banesto's 130 billion peseta capital-increase plan, the biggest in Spanish banking history. The third part of the plan, a convertible five-year bond sale, will start in September.

(Reuters, Bloomberg)

NASDAQ

Trading Prices
 NASDAQ prices of 4,416 New York Times
 This list compiled by the AP, consists of the 1,000
 most traded securities in terms of dollar value. It is
 updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	12 Month High	Low	Stock	Div	Yld	PE	12 Month High	Low	Stock	Div	Yld	PE
120	110	IBM	4.00	4.5	12	120	110	IBM	4.00	4.5	12	120	110	IBM	4.00	4.5	12
110	100	Microsoft	0.00	0.0	15	110	100	Microsoft	0.00	0.0	15	110	100	Microsoft	0.00	0.0	15
100	90	Apple	0.00	0.0	18	100	90	Apple	0.00	0.0	18	100	90	Apple	0.00	0.0	18
90	80	Oracle	0.00	0.0	20	90	80	Oracle	0.00	0.0	20	90	80	Oracle	0.00	0.0	20
80	70	Sun	0.00	0.0	22	80	70	Sun	0.00	0.0	22	80	70	Sun	0.00	0.0	22
70	60	Intel	0.00	0.0	25	70	60	Intel	0.00	0.0	25	70	60	Intel	0.00	0.0	25
60	50	Motorola	0.00	0.0	28	60	50	Motorola	0.00	0.0	28	60	50	Motorola	0.00	0.0	28
50	40	Texas Instruments	0.00	0.0	30	50	40	Texas Instruments	0.00	0.0	30	50	40	Texas Instruments	0.00	0.0	30
40	30	Advanced Micro Devices	0.00	0.0	35	40	30	Advanced Micro Devices	0.00	0.0	35	40	30	Advanced Micro Devices	0.00	0.0	35
30	20	AMD	0.00	0.0	40	30	20	AMD	0.00	0.0	40	30	20	AMD	0.00	0.0	40
20	10	PerkinElmer	0.00	0.0	45	20	10	PerkinElmer	0.00	0.0	45	20	10	PerkinElmer	0.00	0.0	45
10	5	3M	0.00	0.0	50	10	5	3M	0.00	0.0	50	10	5	3M	0.00	0.0	50
5	2	Eastman Kodak	0.00	0.0	55	5	2	Eastman Kodak	0.00	0.0	55	5	2	Eastman Kodak	0.00	0.0	55
2	1	Johnson & Johnson	0.00	0.0	60	2	1	Johnson & Johnson	0.00	0.0	60	2	1	Johnson & Johnson	0.00	0.0	60
1	0.5	Pfizer	0.00	0.0	65	1	0.5	Pfizer	0.00	0.0	65	1	0.5	Pfizer	0.00	0.0	65
0.5	0.2	Merck	0.00	0.0	70	0.5	0.2	Merck	0.00	0.0	70	0.5	0.2	Merck	0.00	0.0	70
0.2	0.1	Novartis	0.00	0.0	75	0.2	0.1	Novartis	0.00	0.0	75	0.2	0.1	Novartis	0.00	0.0	75
0.1	0.05	Roche	0.00	0.0	80	0.1	0.05	Roche	0.00	0.0	80	0.1	0.05	Roche	0.00	0.0	80
0.05	0.02	Novartis	0.00	0.0	85	0.05	0.02	Novartis	0.00	0.0	85	0.05	0.02	Novartis	0.00	0.0	85
0.02	0.01	Novartis	0.00	0.0	90	0.02	0.01	Novartis	0.00	0.0	90	0.02	0.01	Novartis	0.00	0.0	90
0.01	0.005	Novartis	0.00	0.0	95	0.01	0.005	Novartis	0.00	0.0	95	0.01	0.005	Novartis	0.00	0.0	95
0.005	0.002	Novartis	0.00	0.0	100	0.005	0.002	Novartis	0.00	0.0	100	0.005	0.002	Novartis	0.00	0.0	100

12 Month High	Low	Stock	Div	Yld	PE	12 Month High	Low	Stock	Div	Yld	PE	12 Month High	Low	Stock	Div	Yld	PE
100	90	IBM	4.00	4.5	12	100	90	IBM	4.00	4.5	12	100	90	IBM	4.00	4.5	12
90	80	Microsoft	0.00	0.0	15	90	80	Microsoft	0.00	0.0	15	90	80	Microsoft	0.00	0.0	15
80	70	Apple	0.00	0.0	18	80	70	Apple	0.00	0.0	18	80	70	Apple	0.00	0.0	18
70	60	Oracle	0.00	0.0	20	70	60	Oracle	0.00	0.0	20	70	60	Oracle	0.00	0.0	20
60	50	Sun	0.00	0.0	22	60	50	Sun	0.00	0.0	22	60	50	Sun	0.00	0.0	22
50	40	Intel	0.00	0.0	25	50	40	Intel	0.00	0.0	25	50	40	Intel	0.00	0.0	25
40	30	Motorola	0.00	0.0	28	40	30	Motorola	0.00	0.0	28	40	30	Motorola	0.00	0.0	28
30	20	Texas Instruments	0.00	0.0	30	30	20	Texas Instruments	0.00	0.0	30	30	20	Texas Instruments	0.00	0.0	30
20	10	Advanced Micro Devices	0.00	0.0	35	20	10	Advanced Micro Devices	0.00	0.0	35	20	10	Advanced Micro Devices	0.00	0.0	35
10	5	AMD	0.00	0.0	40	10	5	AMD	0.00	0.0	40	10	5	AMD	0.00	0.0	40
5	2	PerkinElmer	0.00	0.0	45	5	2	PerkinElmer	0.00	0.0	45	5	2	PerkinElmer	0.00	0.0	45
2	1	3M	0.00	0.0	50	2	1	3M	0.00	0.0	50	2	1	3M	0.00	0.0	50
1	0.5	Eastman Kodak	0.00	0.0	55	1	0.5	Eastman Kodak	0.00	0.0	55	1	0.5	Eastman Kodak	0.00	0.0	55
0.5	0.2	Johnson & Johnson	0.00	0.0	60	0.5	0.2	Johnson & Johnson	0.00	0.0	60	0.5	0.2	Johnson & Johnson	0.00	0.0	60
0.2	0.1	Pfizer	0.00	0.0	65	0.2	0.1	Pfizer	0.00	0.0	65	0.2	0.1	Pfizer	0.00	0.0	65
0.1	0.05	Merck	0.00	0.0	70	0.1	0.05	Merck	0.00	0.0	70	0.1	0.05	Merck	0.00	0.0	70
0.05	0.02	Novartis	0.00	0.0	75	0.05	0.02	Novartis	0.00	0.0	75	0.05	0.02	Novartis	0.00	0.0	75
0.02	0.01	Novartis	0.00	0.0	80	0.02	0.01	Novartis	0.00	0.0	80	0.02	0.01	Novartis	0.00	0.0	80
0.01	0.005	Novartis	0.00	0.0	85	0.01	0.005	Novartis	0.00	0.0	85	0.01	0.005	Novartis	0.00	0.0	85
0.005	0.002	Novartis	0.00	0.0	90	0.005	0.002	Novartis	0.00	0.0	90	0.005	0.002	Novartis	0.00	0.0	90

12 Month High	Low	Stock	Div	Yld	PE	12 Month High	Low	Stock	Div	Yld	PE	12 Month High	Low	Stock	Div	Yld	PE
100	90	IBM	4.00	4.5	12	100	90	IBM	4.00	4.5	12	100	90	IBM	4.00	4.5	12
90	80	Microsoft	0.00	0.0	15	90	80	Microsoft	0.00	0.0	15	90	80	Microsoft	0.00	0.0	15
80	70	Apple	0.00	0.0	18	80	70	Apple	0.00	0.0	18	80	70	Apple	0.00	0.0	18
70	60	Oracle	0.00	0.0	20	70	60	Oracle	0.00	0.0	20	70	60	Oracle	0.00	0.0	20
60	50	Sun	0.00	0.0	22	60	50	Sun	0.00	0.0	22	60	50	Sun	0.00	0.0	

هنا من الأصل

NYSE Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High/Low Stock, Div, Yld, PE, etc. Lists various stocks and their prices.

Table with columns: 12 Month High/Low Stock, Div, Yld, PE, etc. Lists various stocks and their prices.

Table with columns: 12 Month High/Low Stock, Div, Yld, PE, etc. Lists various stocks and their prices.

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INTERNATIONAL FUNDS

Aug. 10, 1993

Quotations supplied by funds listed. Net asset value quotations are supplied by the funds listed with the exception of some quotes based on issue prices. The marginal symbols indicate frequency of quotations supplied: (d) daily; (w) weekly; (b) bi-weekly; (m) monthly.

Large table listing various international funds with columns for fund name, currency, and other details. Includes sections for AMERICAN INVESTMENT FUNDS, EUROPEAN INVESTMENT FUNDS, etc.

For information on how to list your fund, fax: Simon.OSBORN at (33-1) 46 37 21-33. Also includes a note about Australian Dollars and other currencies.

Hong Kong Cancels Special Levy Dating From 1987 Collapse

Compiled by Our Staff From Dispatches
HONG KONG — The government announced Tuesday that it was ending a special levy imposed on stock and futures transactions after the 1987 market collapse.

The Securities and Futures Commission had urged the government to remove the so-called lifeboat levy of 0.03 percent on stock trades and 5 Hong Kong dollars (65 U.S. cents) for Hong Kong Index Futures transactions.

The commission, a regulatory body, sees the removal of the levy, which will take effect at the close of business Friday, as the final step for Hong Kong to put the specter of the 1987 collapse behind it.

The levy was imposed to finance the bailout of the colony's clearing corporation, which failed under the pressure of the collapse.

The Hong Kong market was closed for four days in October 1987 after stocks in New York plunged 22.6 percent in one day. Upon its reopening, the Hang Seng index plunged 33 percent, pushing

the futures exchange to the verge of collapse amid massive defaults.

Only a loan of 1.93 billion dollars from the government, bankers and brokers saved it from going under.

(AP, Bloomberg, AFP)

Asia Shopping for Power \$6 Billion a Year to Be Spent on Turbines

Reviewers
KUALA LUMPUR — Asian nations will spend nearly \$6 billion a year over the next five years on turbines powered by fossil fuels to drive their booming economies, industry officials say.

"This is the most important region in the world right now for us," said Werner Schröder, executive director of Siemens AG of Germany, a major supplier of turbines. "Economies are growing so fast you have to step up your power supply."

In Malaysia, Siemens has a contract valued at 502 million ringgit (\$196.6 million) to supply three 135-megawatt gas turbines to Malaysia's state-controlled power company, Tenaga Nasional Bhd.

TNB, which is struggling to boost capacity to meet local power needs, has embarked on a program that will involve spending several billion ringgit to build power plants.

Between this project and the government's recent licensing of several private operators to generate electricity, Malaysia will spend an estimated 10 billion ringgit on new power plants over the next 10 years.

TNB's senior general manager, Mohammad Ariffin Abdul Rahman, said the power company would also buy two 110-megawatt gas turbines valued at 254 million ringgit from John Brown Engineering Ltd., a unit of Trafalgar House PLC, London, and two turbines of similar capacity from Marubeni Corp. of Japan for 270 million ringgit. Apart from these projects, he said, TNB is also installing 10 units of gas turbines, each with a capacity of 30 megawatts, and six units of 110 megawatts each.

The market for fossil-powered turbines in the region is expected to be worth 4 billion to 5 billion Deutsche marks (\$2.36 billion to \$2.94 billion) over the next five years, according to Albert Kreutzer, senior director of Siemens. "If you include China, the figure is double," he said.

He said Siemens was seeking to increase its share of the market, currently dominated by Japanese companies, to 25 percent from 10 percent to 15 percent at present.

Aside from money to be made from selling turbines, Western and Japanese companies also will find a market for their expertise in operating the new plants, officials said.

Siemens, for example, has taken a 51 percent stake in a company that will operate and maintain two power stations with a total of 1,170 megawatts of capacity that will be built by the Malaysian construction concern YTL Corp.

YTL, which has no experience in power-generating, is the first company to be given a permit by the government to generate electricity. Mr. Schröder said Siemens also would supply six turbines to YTL plants due to come on stream in 1996.

Some analysts have said that power companies would have difficulty raising the money to pay for all the new plants that are needed, but Mr. Schröder disagreed.

"Banks may be cautious, but there should not be any concern, as selling electricity is a profitable business," he said.

Industry In China Grows 25%

Compiled by Our Staff From Dispatches
HONG KONG — China's industrial growth rate slowed in July as Beijing's measures to cool economic overheating began to take effect, but nonetheless remained at a torrid 25.1 percent, a China-run news agency said Tuesday.

Severe weather in several Chinese regions also contributed to the slowing down; the rate compared with year-on-year growth of 30.2 percent in June, the China News Service said.

Central and western Chinese regions were most affected by the slowdown, while Shanghai, Guangdong Province and Hainan Island on China's eastern and southern seaboard kept up their growth, the agency said without giving details.

State-run enterprises saw growth slip by 4 percentage points in July, while growth in the constant sector declined by 1.2 percentage points.

Meanwhile, an official newspaper reported that imports of key raw materials to China soared by more than 100 percent in the first half of the year, though economic officials insisted China's partial austerity program would ease shortages.

China imported 360 percent more steel in the first six months of 1993 than it did in the same period last year, bringing total steel imports to 11 million tons, the state-run China Daily reported. Imports of 22 other essential raw materials, such as coal, petroleum and cement, jumped by 120 percent in the same period, the China Daily said.

China blames the import surge on an economic boom that has government officials struggling to limit annual growth to 10 percent.

Separately, a director at the Shanghai currency market said the U.S. dollar rate on China's numerous foreign-exchange swap markets would be progressively higher than the Shanghai swap market, said the Shanghai of about 100 swap markets would be shut in order to better control differences in the rate of exchange. (AP, UPI, AFP)

Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	7,284.61	7,396.77	-1.51
Singapore	Straits Times	1,898.84	1,871.95	+1.47
Singapore	All Ordinaries	1,960.40	1,844.30	+6.00
Tokyo	Nikkei 225	20,493.75	20,493.05	+0.00
Kuala Lumpur	Composite	780.60	779.87	+0.09
Bangkok	SET	858.09	952.77	-10.24
Seoul	Composite Stock	719.44	709.59	+1.39
Taipei	Weighted Price	4,093.31	4,082.73	+0.01
Manila	Composite	1,734.19	1,715.88	+1.06
Jakarta	Stock Index	389.83	384.52	+1.38
New Zealand	NZSE-40	1,903.97	1,808.64	+5.00
Bombay	National Index	1,119.30	1,121.80	-0.22

Very briefly:

- Japan's private-sector machinery orders, excluding those from shipbuilders and electric utilities, fell 13.3 percent in June from a year before, to 822.7 billion yen (\$7.87 billion), but rose a seasonally adjusted 0.8 percent from May, the Economic Planning Agency said.
- Pohang Iron & Steel Co., South Korea's largest steelmaker, had record sales of 607 billion won (\$751.7 million) in July.
- Toyota Motor Corp. said it would export about 11 percent more cars, or a total of about 50,000, from its American subsidiaries to Japan and Taiwan this year to take advantage of the stronger yen and try to reduce U.S.-Japanese trade friction.
- SA Brewing Holdings Ltd. said it planned to use the cash from the sale of its brewing assets to Lion Nathan Ltd. of New Zealand to extend the company's water-treatment operations into Asia and Europe.
- Chinese silk exports will be hit this year by weak demand, especially in Japan and Europe, the Chinese publicists' Farmers Daily said. Silk exports earned China \$1.95 billion last year, it said.
- Rioch Co. said it had formed a joint venture with Shanghai Facsimile Machines Co. and Champion Technology Co. of Hong Kong to make facsimile machines in China. The venture has capital of 1.6 billion yen, with the Japanese office-equipment maker holding 49.5 percent.
- Asia Pacific Breweries Ltd., the joint venture of Fraser & Neave Ltd. of Singapore and Heineken NV, and Teo Yih Jia Food Manufacturing Pte. of Singapore agreed to form a joint venture to acquire Fujian Brewery of China for about 72 million Singapore dollars (\$34.7 million).

Malaysians Set U.S. Boycott

Agence France-Press
KUALA LUMPUR — A loose coalition of groups in Malaysia launched a boycott Tuesday of U.S.-made consumer products that were called the leading symbols of "American cultural and political imperialism."

The targets were Pepsi Cola, Coca-Cola, McDonald's, Kentucky Fried Chicken, Marlboro, Esso and Caltex.

The coalition also appealed to the government to rethink its decision to buy F-18 planes.

Seoul to Ease Trade Restrictions Against Japan

Agence France-Press
SEOUL — South Korea has decided to phase out discriminatory trade restrictions against Japan in a reversal of economic policy that had been mixed with politics, officials said Tuesday.

A report issued after a crucial meeting of cabinet ministers said that the government would cut in half the number of banned Japanese goods over the next five years, a spokesman for the Economic Planning Board said.

South Korea has traditionally banned imports of 258 kinds of Japanese goods including automobiles and home appliances.

South Korea will also protect Japan's intellectual-property rights, in line with the progress of Japan's transfer of technology to South Korea, the report said.

The meeting, presided over by the deputy premier for economic planning, Lee Kyung Suk, reviewed Japanese-South Korean ties with the inauguration in Tokyo of Prime Minister Morihiro Hosokawa.

The report said the South Korean government would lead a larger trade imbalance. South Korea's trade deficit with Japan reached \$7.3 billion last year, on total bilateral trade amounting to \$31 billion. The shortfall reached \$4.4 billion during the first six months of this year.

Hyundai Pact Reversed
 Workers at a Hyundai furniture company, reversing an earlier decision, on Tuesday rejected an offer of a 4.7 percent pay increase and other benefits. The Associated Press reported. The management of Hyundai Wood Industries Co. immediately declared the vote void because workers had voted to accept the contract a week ago.

AMEX
 Tuesday's 3 p.m. Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	12 Month Low	Stock	Div	Yld	PE	52	High	Low	Latest Chg
120	100	IBM	3.00	4.5	15	120	110	115	+1.00
150	130	Microsoft	0.00	0.0	20	150	140	145	+1.00
200	180	Apple	0.00	0.0	15	200	190	195	+1.00
300	280	Oracle	0.00	0.0	15	300	290	295	+1.00
400	380	Sun	0.00	0.0	15	400	390	395	+1.00
500	480	Novell	0.00	0.0	15	500	490	495	+1.00
600	580	Lotus	0.00	0.0	15	600	590	595	+1.00
700	680	Intuit	0.00	0.0	15	700	690	695	+1.00
800	780	Adobe	0.00	0.0	15	800	790	795	+1.00
900	880	Autodesk	0.00	0.0	15	900	890	895	+1.00
1000	980	Parsons	0.00	0.0	15	1000	990	995	+1.00

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Argentina	0014-881-877	Chile	00-037	Honduras	001-800-121-2000	Liechtenstein	001-800-121-2000	Poland	000-480-015	United Kingdom	0800-800-877
Australia	022-803-094	China	008-13	Hong Kong	800-877	Luxembourg	0800-015	Portugal	05017-1-877	United Kingdom	0800-800-877
Austria	1-800-389-2111	Colombia-English	980-13-0010	Macao	001-800-877-8000	Macao	0800-121	Puerto Rico	1-800-877-8000	U.S.A.	1-800-877-8000
Bahamas	1-800-389-2111	Colombia-Spanish	980-13-0110	Malaysia	001-800-877-8000	Malaysia	800-0016	San Marino	172-877	U.S. Virgin Islands	1-800-877-8000
Barbados	1-800-877-8000	Costa Rica	163	Mexico (Mexico City)	95-800-877-8000	Mexico (Mexico City)	95-800-877-8000	San Marino	172-877	Uruguay	000417
Belgium	078-31-9814	Cyprus	080-900-01	Mozambique	00-801-15	Netherlands	06-822-919	Singapore	8000-177-177	Vatican City	172-1877
Belize (Hotel)	556	Denmark	800-0877	Norway	1-800-55-2001	New Zealand	000-999	South Africa	0-800-99-0001	Venezuela-English	800-1111-0
Belize (Pay phone)	556	Dominican Republic	1-800-751-7877	Italy	172-1877	Nicaragua	02-161	Spain	901-94-0013	Venezuela-Spanish	800-1111-1
Bermuda	1-800-623-0877	Ecuador	171	Japan	0039-131	Nicaragua (Managua)	161	Sweden	020-799-011		
Bolivia	0800-3333	El Salvador	191	Japan	0065-45-877	Norway	050-12-877	Switzerland	855-9777		
Brazil	000-8016	Finland	9800-1-0284	Kenya	0800-12	Pakistan	05	Taiwan	0800-14-0877		
British Virgin Is.	1-800-877-8000	France	19-8087	Korea	009-36	Paraguay	008-12-800	Thailand	001-800-13-877		
Canada (Phone)	80-88-81	Germany	0930-0083	Korea	009-36	Peru	196	Trinidad & Tobago	23		
Canada (Pay phone)	80-88-81	Greece	008-001-1								

SPORTS BASEBALL

Cards Gain As Pirates Succumb To Rookie

The Associated Press
Every so often, a rookie pitcher comes along who can make a difference in a pennant race.

It happened in 1964 for the New York Yankees with Mel Stottlemyre, and in 1980 when the Philadelphia Phillies brought up Marty Bystrom late in the year.

For the St. Louis Cardinals, it's Allen Watson. He pitched three-hit

NL ROUNDUP

ball for seven innings Monday night as the Cardinals beat the Pittsburgh Pirates 7-3 at Three Rivers Stadium.

Watson, called up July 7 from the Cardinals' Triple-A Louisville farm club, was increasingly effective after allowing solo runs in the first two innings.

"That must be the New York coming out in him," Manager Joe Torre said of Watson, who is from Queens. "I like the way he goes about it. He gets mad at himself. It's not like he's feeling his way through."

Paganzzi and Bernard Gilkey homered. Todd Zile had a tie-breaking two-run single in the fifth and Luis Alcala added a two-run double as the second-place Cardinals moved within six games of Philadelphia in the NL East.

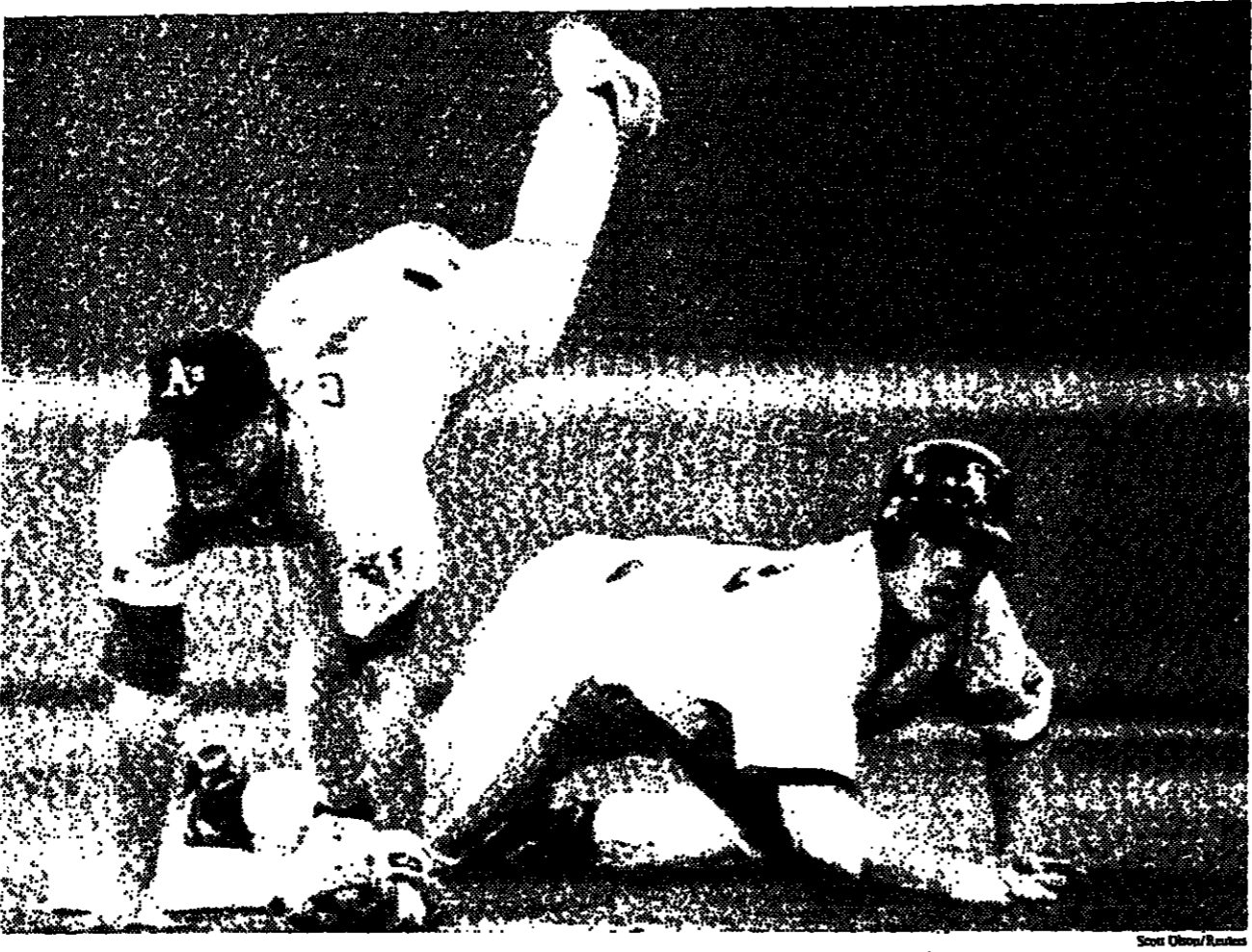
Watson won his fourth straight start, allowing just one hit in his final six innings.

Giants 10, Reds 7: Kirt Manwarling hit a two-run homer and Will Clark had a two-run triple in a four-run sixth inning as San Francisco rallied to beat Cincinnati at Candlestick Park. The first-place Giants opened a nine-game lead over Atlanta in the NL West.

Clark finished with three hits and three RBIs while Manwarling went 2-for-4 with three RBIs. The Giants survived two homers by Hal Morris and one by Kevin Mitchell.

Dave Burba has won eight straight decisions, including six in relief. Rod Beck worked the ninth for his 34th save.

Marlins 3, Cubs 2: Walt Weiss' scoring single snapped a seventh-inning tie to lift Florida over Chicago at Joe Robbie Stadium. Benito Santiago started the in-



Chicago's Robin Ventura tripped up Breat Gates of the A's, but Gates still turned the double play for Oakland. The White Sox won, 5-4.

ning with a double off starter Frank Castillo.

Astros 5, Padres 4: Houston won its third straight game as pinch-hitter Luis Gonzalez's safety squeeze bunt with one out in the 10th inning scored Eric Anthony with the go-ahead run against Trevor Hoffman at San Diego.

Xavier Hernandez was the winner despite giving up a rying homer in the eighth to Phil Plantier.

Rockies 3, Dodgers 2: Vinny Castilla's sacrifice fly in the 11th inning lifted Colorado over Los Angeles at Dodger Stadium.

Reliever Steve Reed got the victory with two scoreless innings as the Rockies won their second in a row after 13 straight losses.

Club Owners' Meeting
Murray Chass of The New York Times reported:

Major league club owners met Wednesday in Kohler, Wisconsin, a city noted for the manufacture of sinks and toilets and bathtubs. Will it be the city where baseball goes down the drain?

That would depend on one's point of view, of course.

If the owners, for example, fail to reach agreement on a plan to increase the amount of revenue they share, the players wouldn't have to be bothered by the owners then coming to them demanding a cap on their salaries, which they won't accept anyway.

If the owners fail to reach agreement on a plan to increase the amount of revenue they share, it would leave their side in a quandary as to how to proceed. They also would leave Richard Ravitch, their chief labor executive, in such a dilemma that he likely would resign.

If the owners reach agreement on a plan to increase the amount of revenue they share, some of their own brethren might try to scuttle it by going to court. A rumor is circulating in baseball circles that George Steinbrenner has already drafted papers for a lawsuit he would file against his colleagues if they try to take money out of his deep pockets.

The owners will meet at a resort

near Sheboygan on Wednesday, Thursday and, if needed, Friday. Ravitch had hoped they could meet undetected, preserving the secrecy that has shrouded the entire revenue-sharing matter.

"There's an extraordinarily strict confidentiality agreement that governs revenue sharing," one club executive said. The agreement, the executive added, includes a provision for disciplinary action against anyone who violates it, specifying a fine and also saying that anyone breaching the agreement would be subject to sanctions provided in the Major League Agreement.

But the agreement is so strict the executive wouldn't say how much the fine would be, and some others who were asked wouldn't even acknowledge that the provision exists. But one person said the magic number was \$100,000.

Ravitch, citing the confidentiality agreement, declined to discuss specifics of his revenue-sharing proposals.

After sending a series of plans to the owners for their study and dis-

cussion, then digesting their comments, Ravitch recently sent out a proposal that is designed to serve as the starting point for debate in Kohler. Details of the plan have remained secret, but one fearless soul offered what was said to be a general outline.

"It all depends on what salary cap is ultimately agreed to by the union," the informant said. "The higher the salary cap, the higher a percentage of local revenue will be needed; the lower the cap, the lower a percentage is needed."

Whatever plan finally is put on the table for adoption, it will need 21 of 28 votes to pass. If it passes, Ravitch next would make a proposal to the union calling for a salary cap. The players would reject it, then decide if they should strike next month to pre-empt the owners from imposing crippling rules changes next winter. (Some owners are said to be prepared to vote for a plan, knowing that the players would kill it by refusing a salary cap.)

If the owners vote down any plan, the prevailing view is that Ravitch would resign. He has spent more than a year trying to persuade the owners they need to increase their revenue sharing to save the game, and if they were to repudiate him, he not only would have no proposal to take to the players, but he also would have no strength with which to deal with them.

According to a view on the labor side, Ravitch may try to convince the owners to adopt a plan by telling them if they don't, he would have to resign and that would play right into the union's hands.

Ravitch would not talk about his strategy or his future, saying only that he would like to see the owners approve a plan.

"I want to steer it to a conclusion," he said. "It's not for me to tell the owners how much money they should commit. It's up to me to explain all the alternatives."

A Stargazer's Summer Delight

International Herald Tribune
PADSTOW, Cornwall — We are all stargazers at heart. There is a chance I shall wait up for the meteor storm predicted over northern skies in Europe, and visible off America's East Coast, at about 0100 GMT on Thursday.

Alternatively, I might sleep easy knowing I have seen the summer's shooting star. He moves like lightning, he runs where instinct



takes him, and at 5 feet, 6 inches (1.67 meters) he is distinctly an earth-bound creature.

Julian Joachim is the name. English by birth, he has Caribbean bloodlines similar to those of the Olympic sprinter Linford Christie, and the same starting base as Gary Lineker.

The diminutive Joachim precludes any necessity for spectators to wear neck braces — the old joke concerning England's aerial play.

Joachim is high on other values, as he showed when inspiring England to become Europe's new Under 18 champion. He led from the front, scurrying here and there, forever wanting the ball and for the most part knowing what to do with it.

A goal against the Netherlands summed him up. With the poacher's sixth sense, he darted behind his marker. The run was short, sharp, and timed to perfection.

He watched the ball drop over the defender. Audaciously but gently, he looped that ball over the opponent's shoulder. Then, turning in half the space of the Dutch teenager, Joachim sweetly volleyed left-footed, a low shot into the net from 12 yards.

It combined such imagination, technique and flow one would not have been surprised had it come from a Brazilian. Joachim is anything but. He is the latest small package of flair and intensity to prove soccer is at its best a game beholden neither to culture nor system.

Fast blood appears to be the one thing his father gave him. Julian Joachim never knew his dad, and has not yet felt the warmth of a West Indian sun. Nor is he a ghetto child, although his mother struggled financially to raise him in the slums of Lincolnshire.

FROM HER HE inherits perseverance and single-mindedness. With the loneliness of an only child — and a black child in a white neighborhood — he grew to regard the ball as a friend that would do most things he asked.

He clearly loves that ball as if it were his. This, believe me, is not a common English trait. Coaching gurus seldom look for it, preferring to select kids who can lump the ball forward and, even at the school level, harass and muscle the opposition into submission.

Leicester City, having nurtured Lineker, is an exception. Too short of money and too shy of ambition to be in England's pretentious Premier League, Leicester has paid to let talent mature.

Lineker's goal-scoring, also crafted onto searing acceleration, grew gradually at Leicester and was sold when it ripened. At the time, Joachim was a dot on the horizon.

He was 12 when Leicester took him under its wing. The club resisted overtures to send Joachim to the national School of Excellence; it had either blind faith in his ability or a powerful anti-ego.

The club coaches spoke of him almost in whispers. Between themselves, they called him their "little Peté."

Perhaps the news was confined because junior coaches know how fickle the growing years can be.

Perhaps those teachers respected a lad's growing space, or feared that lack of height would diminish him. Perhaps the senior coaches, those with access to the media, were too busy buying and selling and tripping through as managers of peripheral clubs frequently do.

When Joachim burst through, Leicester's team happened to be managed by Brian Little. The effect was instantaneous.

Joachim scored a heavenly goal in a cup tie 16 months ago. He scorched past two or three startled defenders before chipping the ball from 30 meters over the goalkeeper as if he had a club foot — the club being a golfer's wedge.

He ended last season with 10 goals in 29 first division games. He went to Australia with England's Under-20 team in March, and became the catalyst to a much more attacking Under-18 squad.

On that team, to surprise bordering on disbelief, England surrounded the Leicester rocket with genuine talent mainly from Manchester United, Leeds and Tottenham Hotspur.

They had four things in their favor: home crowds, which grew to 23,381 at the final in Nottingham; good grooming at clubs that put talent before physique; a team manager, Ted Powell, who dared to encourage style outside the FA coaching school, and a center forward ready to take on the world at making or taking goals.

England beat France, 2-0; the Netherlands, 4-1; Spain, 5-1, and Turkey, 1-0, and the lack of goals in the final had much to do with drained bodies and minds. Asking youths to perform four times in eight days is as stupid, as unfair, and even more physically damaging than the World Cup is for grown men.

NO THANKS TO the administration, Europe '93 produced class competition. The French and Turks displayed as usual touches of fore play and England, but England chased the shadows, and came strong at the finish to win both contests.

The Netherlands, surprisingly for a nation that with much help from its Surinamese cousins provides such exotic individuals, was outclassed.

Spain simply shot itself in the foot. It brought the flair and the spite of Latin soccer. Several of its players betrayed fine skill by foul temper and were foolish in the extreme not to draw back at the first sign of refereeing intolerance.

After three games, Spain amassed 10 yellow cards, two red and had half its team banned from the final day's play. Its team manager was Andoni Goicoechea, the so-called "butcher of Bilbao," whose gruesome back kick dismantled the ankle of Diego Maradona in his prime. Goicoechea wears the smile of a character who keeps in a gilt frame the boot that did the dirty work on the world's greatest player.

Not only did the attempt to put "backbone" into young players rebound on Spain, it chose the wrong opposition to intimidate. Before the match, Joachim paid a visit to a barber and emerged without his precocious mustache and with a shaven head.

He looked like a miniature (Marvelous) Marvin Hagler. But he was swifter — a shooting star we did not have to lose sleep over.

Rob Hughes is on the staff of The Times.

Unsung Catcher Leads Orioles to 8th in a Row

The Associated Press
What is it about catchers? Why do they tug so at the heartstrings of baseball lovers?

Hollywood loves them: The heroes of "Bang the Drum Slowly" and "Bull Durham" were both catchers, played by Robert DeNiro and Kevin Costner.

Now comes Mark Parent.

Parent, who has 16 at-bats since being recalled from the minors Aug. 3, hit his second homer Monday night to lift Baltimore to a 4-1 victory over the Tigers in Detroit.

The victory extended the Orioles' winning streak to eight games and moved them into sole possession of second place, one-half game behind the idle Toronto Blue Jays.

"I've always had confidence in my ability," Parent said. "Obviously, when you're trying to make the playoffs, you have to give it everything you've got, every day, every at-bat."

Tim Lincecum started the Orioles' fifth with an infield single. After Mike Moore struck out Harold Baines, Parent homered on the first pitch to give Baltimore a 2-0 lead.

Brady Anderson followed with a triple and scored on Mark McLemore's sacrifice fly. The

hits in seven innings to earn his first victory since July 20.

Roberto Hernandez retired the final four batters for his 24th save in 28 opportunities. He entered with the bases loaded and two outs in the eighth and got Lance Blankenship to fly out.

Oakland's Bobby Witt lost his sixth straight decision, giving up all five runs in seven innings.

Royals 7, Mariners 6: Chico Lind's pinch-hit two-run single in the eighth capped a three-run rally for Kansas City against visiting Seattle.

Mike MacFarlane led off the eighth with a single off Erik Plambeck, and Wally Joyner walked. Gary Gaetti doubled off Ted Power to pull Kansas City within 6-5. After Kevin McReynolds struck out, Greg Gagne was intentionally walked, and Lind followed with a single to right through a draw-in infield.

Star Belandier, the fourth Royals pitcher, went one inning for his first AL victory.

Major league club owners met Wednesday in Kohler, Wisconsin, a city noted for the manufacture of sinks and toilets and bathtubs. Will it be the city where baseball goes down the drain?

AL ROUNDUP

Orioles added a run in the ninth when David Segui singled and later scored on a throwing error by shortstop Skeeter Barnes.

Arthur Rhodes, in his second start since being recalled July 31, allowed one run on three hits over eight-plus innings. He struck out eight and walked three.

White Sox 5, Athletics 4: Frank Thomas went 3-for-3 and hit a tie-breaking home run in the seventh inning for host Chicago.

Alex Fernandez allowed four runs and 10

accusations, and Jorge Burruchaga, who admits involvement but claims that he never received any money, will give evidence.

Jean-Pierre Berres, the Marseille general manager at the time of the affair and the alleged orchestrator of the affair, the Valenciennes coach, and Michel Coencas, the Valenciennes club's chairman, have also been summoned. Bernard Tapie, Marseille's president, is expected to be summoned later.

UEFA, European soccer's governing body, said it would wait for the outcome of the hearing before deciding whether Marseille would be allowed to defend the European Champion's Cup.

A spokesman said UEFA would make a decision on Aug. 30.

Marseille is to play AEK Athens

French Panel Sets Hearing in Bribe Case

Agence France-Press
PARIS — The French soccer league's disciplinary commission will hold a hearing on the Marseille-Valenciennes bribery affair on Aug. 27 and 28, the league said Tuesday.

The commission is to decide who sanctioned, if any, are to be imposed on the players and officials implicated in the alleged attempt by Olympique Marseille to bribe three Valenciennes players before a league match on May 21.

Life bans are likely for Jean-Jacques Eydie, the Marseille midfielder who admits that he offered the Valenciennes players cash if they would go easy on his team, and Christophe Robert, the Valenciennes player who has admitted accepting 250,000 francs (\$42,000).

Jacques Glassman, the Valenciennes player who first made the

in the first round of the competition, with the first leg scheduled for Sept. 15. If UEFA excludes Marseille, Paris-Saint Germain, runner-up in the league and French Cup winners, would fill the slot.

Meanwhile, sources said Monday that Tapie's fingerprints were not found on an envelope containing the 250,000 francs allegedly used to bribe the Valenciennes players.

The sources said the fingerprints on the envelope did not correspond with those of any of the leading figures in the affair.

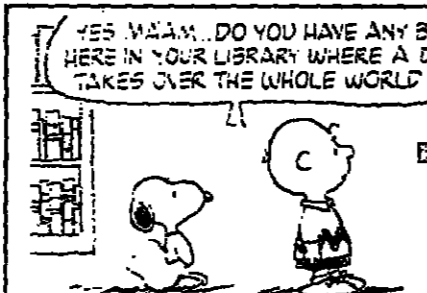
The envelope containing the money was found in June buried in the yard of Robert's aunt.

Tapie had his fingerprints taken on Friday during a meeting with the Valenciennes prosecuting magistrate, Bernard Baffy.

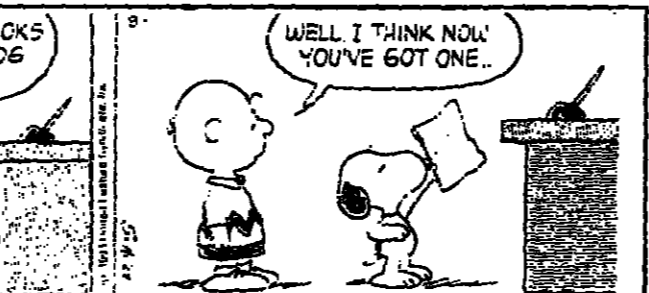
DENNIS THE MENACE



PEANUTS



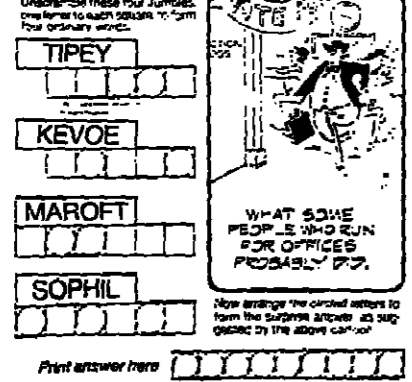
CALVIN AND HOBBES



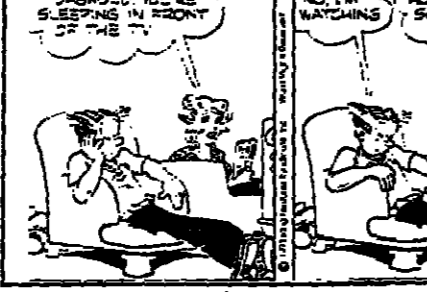
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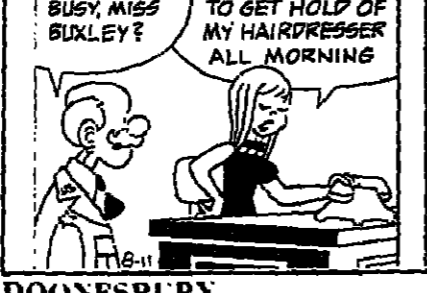
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REX MORGAN



BEETLE BAILEY



REX MORGAN



GARFIELD



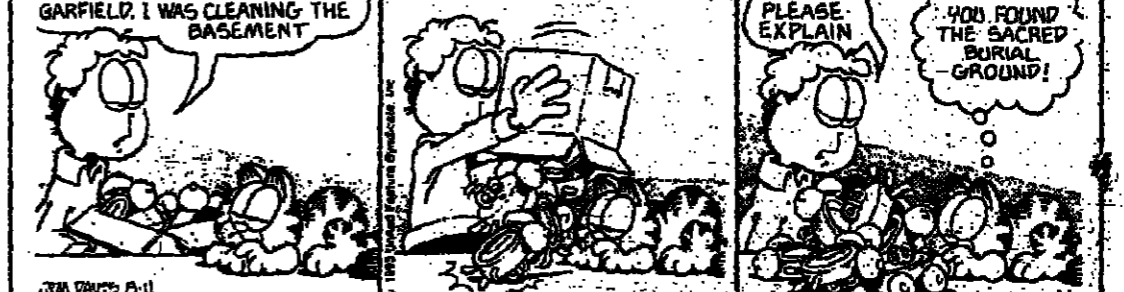
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OBSERVER

Life in the Sidestream

By Russell Baker
NEW YORK — The budget deficit reminds me of sidestream smoke. I don't really believe either one is going to kill me, but I am afraid to say so out loud. There are too many passionate people devoted to the idea that they will, too, kill me.

As with most good public-relations campaigns, those promoting the evils of sidestream smoke and the budget deficit are supported by authorities so authoritative that they would have awed a medieval monk.

Who dares challenge a surgeon general in a country where most people are scared to tell their own doctors they'd like a second opinion? Who dares challenge a Texas billionaire with charts at his disposal?

In Opera, New Faces Behind the Baton

By Barbara Jepsen
NEW YORK — The conductor Karen Keltner still flinches when she recalls the time a potential engagement fell through because a well-known stage director refused to work with a woman.

The most visible of their number is the English conductor Sian Edwards, 33, music director of the English National Opera, which is Britain's second-largest company in terms of budget.

Other notable women active in the opera pit include the Australian newcomer Simone Young, 32, a protégée of Daniel Barenboim who has conducted at the Staatsoper Unter den Linden and Komische Oper in Berlin.



Sian Edwards, one of most visible of young female opera conductors.

Two years later, when Rattle had to cancel a production of Mahagonny with the Scottish National Opera, he recommended the English composer Oliver Knussen and Edwards as possible replacements.

Barbara Jepsen, who writes frequently about music, wrote this for The New York Times.

PEOPLE

India Legislators Urged To Move on Obscenity

"What is beneath the blouse?" the popular song from the Hindi film, "The Villain," has ignited a nationwide debate in India. Its lyrics contend merely that what's beneath a woman's blouse is "the heart."

It would be the match of chess wunderkinds. The Hungarian Judit Polgar, 17, the world's top-ranked female chess player, versus Bobby Fischer, 13, the former chess champion whose record as the youngest grandmaster Polgar has broken.

Bogie is still No. 1, say the editors of Entertainment Weekly magazine in listing America's top movie stars. Humphrey Bogart was followed by Katharine Hepburn, Cary Grant, Marilyn Monroe and Marlon Brando.

Burt Reynolds has unloaded again about his split from Lee Anderson — this time to Variety, saying that he'll seek full custody of Quinton, the couple's son.

INTERNATIONAL CLASSIFIED
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CROSSWORD

ACROSS

- 1 Actor Jimmy from N.Y.C.
6 Scrooge utterances
10 Slightly open
14 West Pointer
16 "I acta... est"
18 Banjoist Fleck
17 Rocket stage
19 "O... Genstein musical
19 In the distance

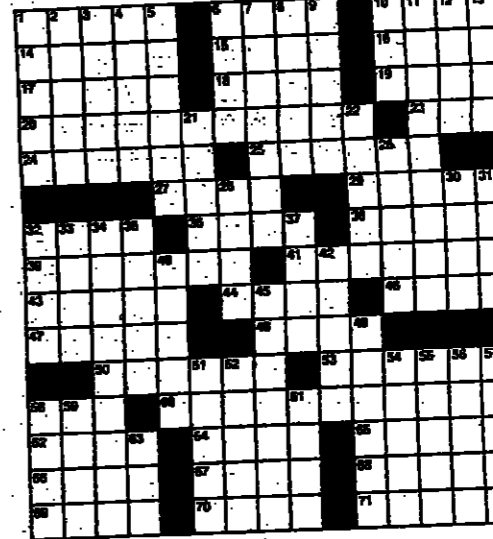
DOWN

- 1 Fighting
2 Side in "Marat/Sade": 1955
3 Concepts
4 Takes care of
5 Sit-down strikes, in London
6 Bath, in Madrid
7 Round pompeno
8 Hayes or Reddy
9 Kind of bar
10 Lawyer's org.
11 President
12 Clinton's middle name
13 Kyrgyz range
14 Seldom seen
15 Cowboy route
16 Move nature
17 Hecitor
18 Former Congolese Prime Minister
19 Comedian Jay
20 "Woe is me!"
21 Vision; Comb. form
22 U. of Md. athlete
23 De Witt Clinton's pet project
24 Without — in the world
25 Bridge
26 "..." unto my feet

Solution to Puzzle of Aug. 10

TARA SLASH BALL
ALAN WASTE EELS
ANYWOKERSALLS
PIY HOGS PARLE
SINE TRIBE
HABITS PRATT FEE
USEE PRCESSALLARY
SEN ORALE ELBE
SMALL SAILED
HOASTAGE SUBS
OCEAN WIFE DIM
THE GODDENSE
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New York Times

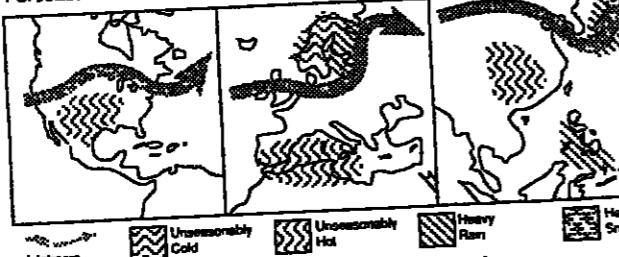


- 27 Prevent legally
28 A crossword structure
29 Houses of clay
30 House for Sappho
31 "The Rossy" composer
32 Wiser away
33 City, in Köln
34 A comic like Chaplin
35 She was Miss Brooks
36 Cruising
37 Hack
38 Inquires
39 Muts

WEATHER

Forecast for Thursday through Saturday, as provided by Accu-Weather.

Table with weather forecasts for Europe, including cities like Amsterdam, Athens, Berlin, and London.



North America
The greater part of the United States will have warmer than normal weather late this week. The core of the high will be over Memphis, Tenn., with a low over the Gulf of Mexico.

Table with weather forecasts for Asia, including cities like Bangkok, Beijing, Hong Kong, and Tokyo.

Table with weather forecasts for Africa, including cities like Algiers, Cape Town, and Johannesburg.

If you're going to travel all over the map, here's how to call from almost any point on it.



Table titled 'AT&T Access Numbers' listing international phone numbers for various countries like Andorra, Armenia, Austria, etc.

AT&T puts the world at your fingertips. Just dial the AT&T access number of the country you're calling from for quick, clear connections back to the U.S. and lots of other countries.

